



PRESS RELEASE

(For Immediate Release)

DESPATCH FROM CABINET

PRESIDENT WILLIAM RUTO, PHD, CGH has today chaired a meeting of Cabinet at State House, Nairobi. Today's session was the third meeting of our nation's apex policy making body since **Cabinet was fully constituted on 27th October, 2022.**

THE MEETING considered various policy matters, including an assessment of the impact of the interventions implemented to mitigate the effects of drought, the state of the economy, the state of national security, the preparedness for the launch of Administration's signature pledge – **The Hustlers Fund**, disease situation in the country covering **COVID-19 and the Cholera outbreak**, food security situation, and the outcome of the bilateral engagements with South Korea.

ON THE STATE OF THE ECONOMY, Cabinet considered the 2022 **Budget Review and Outlook Paper** that is the precursor to the Administration's first Budget (**FY 2023/24 Budget**). The upcoming Budget will anchor the implementation of the Kenya Kwanza's Plan for the **turnaround of our nation's economy.**

THE BUDGET INITIATION process has commenced against a background of COVID-19 recovery efforts, a global economic downturn, reduced growth occasioned by the ongoing drought and international hostilities. These factors have led to disruptions in supply chains as well as increases in global oil and food prices, and the impact of monetary policy positions taken by the world's leading economies.



As a strategic intervention towards economic turnaround and inclusive growth trajectory, Cabinet sanctioned a Budget Framework that repositions the economy by shifting focus to increased employment, more equitable distribution of income, **social security while also expanding the tax revenue base, and increased foreign exchange earnings.**

THE GOVERNMENT will as part of its 2023 Budget continue to implement its fiscal consolidation plan that is **designed towards slowing down public debt without compromising service delivery.** This new fiscal intervention is expected to boost the country's debt sustainability position and ensure that **Kenya's development agenda honours the principle of inter-generation equity.**

IN FURTHERANCE of the Agenda on inclusive growth and innovation in Micro, Small, and Medium Enterprises (MSMEs); Cabinet approved the roll out of the Administration's signature pledge – **The Hustlers Fund.** The ground-breaking financial solution will be launched tomorrow, **Wednesday, 30th November, 2022.**

THE HUSTLERS FUND is part of the Administration's answer to predatory lending that historically has **denied many households an opportunity to make their rightful contribution to nation building.** The Fund is expected to offer much needed relief and a new lease of life to over 8 million Kenyans who had been blacklisted by various credit rating agencies. Besides being accorded a second chance to access the credit needed to grow their enterprises, the **Hustlers Fund also offers affordable credit** by charging of interest of **0.002% per day**, which is **500 times cheaper** than the cheapest current products which range between **1% to 10% per day.**

AS PART OF THE ADMINISTRATION'S social transformation Agenda of fostering social security and eliminating old-age poverty, this revolutionary fund will also herald a new era by according all Kenyans an opportunity to contribute to their pension savings within every financial transaction that they make. **That dynamic savings platform offers a return of 50% on individual savings** by way of Government counterpart funding. This means that for every **Ksh. 2 saved, the Government will contribute Ksh. 1.**



THE HUSTLERS FUND will offer varied product offerings that will be progressively rolled out in the remaining part of the current Financial Year. All four products offerings will be **delivered electronically and with no requirements to fill any manual forms or to secure any third party guarantors**. As such, the Hustlers Fund will be delivered without any **bureaucracy**.

AS A MARK OF KENYA'S growing competitiveness as a destination of choice for Foreign Direct Investments (FDIs), Cabinet approved the framework to facilitate **Moderna Inc** to establish an mRNA-Vaccine manufacturing plant in Kenya. The plant will produce vaccines and other pharmaceuticals for **domestic consumption as well as export to continental and global markets**.

THE NATION'S APEX POLICY making organ was also apprised on the progress made in addressing the effects on the ongoing drought in parts of the country. The meeting hailed the growing partnership between the State, Development Partners and the nation's private sector that is taking place under the auspices of the **National Steering Committee on Drought Response**.

IN SOLIDARITY WITH ALL KENYANS affected by the ongoing drought, the meeting resolved that all **Members will forgo one-month salary as their individual and collective contribution** towards the ongoing State interventions that support all the Kenyans affected by the drought.

AS PART OF THE LONG-TERM measures to address the cyclic drought situation and the cost of living, **Cabinet assessed the food supply situation in the country**. The meeting noted that the cost of the nation's staple food, maize, remains unacceptably high currently retailing at between Ksh. 180- 210 for a 2 Kg packet of Maize Flour.



CABINET NOTED that harvesting of maize was ongoing across the country, with this year's crop estimated to yield about 30 million bags of maize. In honour of our nation's sacred duty to our farmers, **Cabinet resolved that the farmers produce will be accorded priority access to the market.**

IN RECOGNITION of the annual consumption trends of about 45 million bags of maize, and mindful of the solemn duty of the State to secure the affordability of the basic food items; the deficit arising from the lower than expected domestic yields will be bridged through the importation of 10 Million bags of maize. **The importation by the private sector will commence in February, 2023** and it shall be incentivized by way of a customs duty waiver.

AS PART OF THE ADMINISTRATION'S long-term food security plan, our farmers from across the country will have access to fertilizer at a subsidized cost of **Ksh. 3,500.00**; a move that will boost food production and help **bring down the overall cost of production, and with it the rising cost of living.**

CABINET noted with satisfaction that the National Examinations commenced on Monday, 28th November, 2022 and are set to conclude on 30th November, 2022 for Grade 6 and Class Eight candidates, and on 23rd December, 2022 for Form 4 candidates. Once again, **Cabinet conveyed its thoughtful well wishes to all the year 2022 candidates.**

THE MEETING also noted with regret that the increased number of Cholera cases had resulted in fatalities in Kiambu, Nairobi, Muranga, Kajiado, Nakuru and Uasin Gishu. In that regard Cabinet sanctioned the roll out of the Cholera Vaccination Programme targeting at least two (2) million people in the high risk areas of Nairobi, Machakos and Garissa. Cabinet urges all Kenyans to continue exercising high hygiene standards as was prescribed at the height of **Covid-19 disease containment measures.**

WITH REGARD TO THE HEALTH of our ocean and lakes that are the cornerstone of our Blue Economy, Cabinet sanctioned a broad range of interventions aimed at **making fishing and aquaculture safer in our waters.**



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IN CONCLUSION Cabinet was also apprised on the lifting of the FIFA ban on Federation of Kenya Football.

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Tuesday, 29th November, 2022