

TALKING NOTES FOR THE PRINCIPAL SECRETARY / NATIONAL TREASURY, JULIUS MUIA, PHD, EBS, DURING THE LAUNCH OF THE 20TH EDITION OF THE KENYA ECONOMIC BY THE WORLD BANK, IN OCTOBER 31, 2019 AT RADISON BLU HOTEL, NAIROBI

1. I am pleased to join you this morning for the launch of the 20th **edition of the Kenya Economic Update, whose theme is Incentivising Private Sector-Led Growth with a Special Focus on “Accelerating Kenya’s Digital Economy.”**

2. The 20th edition of the **KEU** is divided into two parts: i) Recent performance of the Kenyan Economy; and ii) Recent developments in Kenya’s digital economy. Allow me to highlight some of the recent developments in our economy.

I. Recent Performance of the Kenyan Economy

3. Kenya continues to register macroeconomic stability following implementation of prudent monetary and fiscal policies which has informed robust economic growth. In 2018, our economy recovered to grow by 6.3 percent from 4.9 percent recorded in 2017.

4. In 2019, the economy has remained resilient and grew by an average of 5.6 percent in the first two quarters compared to a growth of 6.5 percent in a similar period in 2018. This growth was mostly supported by growth in the service sector industries such as information and communication, transportation, construction, accommodation and food services, financial and insurance activities.

5. Growth in the first half of 2019 was characterized by a slowdown in agricultural activities. However, non-agricultural activities (Service & Industry) remained resilient and grew by 6 percent.

6. The economy is projected to grow by 5.7 percent in 2019, 0.1 percentage points lower than the **KEU** forecast of 5.8 percent, supported by a stable macroeconomic