



REPUBLIC OF KENYA

**STATEMENT BY HIS EXCELLENCY WILLIAM
RUTO, C.G.H.; PhD; PRESIDENT AND
COMMANDER-IN-CHIEF OF THE KENYA DEFENSE
FORCES, ON THE FINANCE BILL 2024**

JUNE 26, 2024

STATE HOUSE, NAIROBI

1. When we assumed office 20 months ago, our country was facing tremendous economic challenges. Escalating the cost of essential household commodities, high fuel prices, rapid depreciation of the shilling and spiralling public debt were threatening to ground the economy.
2. My administration has worked hard and consistently so that today, the prices of essential commodities like unga have dropped from an average of KSh240 for a 2kg packet to KSh100, majorly attributed to our fertiliser subsidy programme and the resilience of our farmers. During the period, we reduced the price of fertiliser from Kshs 7500 to Kshs 2,500. Petrol prices have come down from a high of KSh 217 to KSh 189 a litre. The shilling has strengthened against the dollar from a high of KSh 165 to KSh 129 today.
3. We have made significant progress in pulling the nation back from the brink of debt distress. Our debt situation is better managed, and our budget now has space for investment in programmes aimed at easing the hardship on vulnerable people and creating opportunities for the youth.
4. Our GDP grew by 5.6% in 2023, ranking Kenya among the 27 fastest-growing economies in the world. Our inflation figures have fallen from 8% in May 2023 to 5% in April this year.
5. Out of every Kshs 100, we have been spending 61 shillings in debt service. We have paid Kenya's Eurobond debt of \$2b (Kshs 350 b) incurred in 2014. Today, Kenya's debt burden is much less, more sustainable and we are on course to redeem our country from the discomfort of debt and assert our sovereignty.



6. Earlier this year, the treasury had proposed a budget of kshs 4.18 trillion. I directed that it be reduced by kshs 200 billion to kshs 3.99 trillion. The Finance Bill 2024 generated to actualise this budget underwent public participation which resulted in concessions by which we agreed to drop the proposed imposition of VAT on bread, motor vehicle circulation tax, VAT on locally manufactured diapers and sanitary pads as well as Excise duty on money transfer services among other concessions.
7. The additional tax measures we had proposed in this year's Finance Bill were for raising money to employ on a permanent basis all the 46,000 JSS interns, increase NG-CDF by Kshs 10b, increase the allocation to county governments by kshs 15 billion, allocate 14.5 billion for rural electrification, provide an additional Kshs 6 billion for UHC, paying debts owed to coffee and sugarcane farmers, and Kshs 2 billion to support the stabilization of milk prices among other interventions.
8. I salute our members of parliament for supporting the proposal to incorporate the views of the public generated through the parliamentary public participation process.
9. Notwithstanding all these concessions, it became evident that members of the public were still insisting on the need for us to make more concessions. I am grateful to all the members of the National Assembly who voted yesterday affirmatively for the Finance Bill 2024 as amended on the floor of the House to incorporate the views generated in the public participation process.
10. Following the passage of the bill, the country witnessed widespread expression of dissatisfaction with the bill as passed, regrettably resulting in the loss of life, destruction of property and desecration of constitutional institutions.



I send condolences to the families of those who lost their loved ones in this unfortunate manner. Consequently, having reflected on the continuing conversation around the content of the finance bill of 2024, I will decline to assent to the bill.

11. Accordingly, as I committed on Sunday, I propose an engagement with young people of our nation to listen to their issues and agree with them on their priority areas of concern. I also propose that within the next 14 days, a multi-sectoral, multi-stakeholder engagement be held with a view to charting the way forward on matters relating to the content of the bill as well as auxiliary issues raised in recent days on the need for austerity measures and strengthening our fight against corruption.
12. In this regard, I direct immediate further austerity measures to reduce expenditure, starting with the Executive Office of the President and extending to the entire executive arm of government. I direct that operational expenditure in the Presidency be reduced to remove allocations for the confidential vote, reduce travel budget, hospitality and purchase of motor vehicles, renovations and other expenditures.
13. I propose that equally, Parliament, the Judiciary and County Governments working with the National Treasury also undertake budget cuts and austerity to ensure that we do what I have always advocated for, that we live within our means.
14. As we hold this important conversation, I remind us that we should proceed within the foundational principles upon which our nation is founded, namely; constitutionalism, adherence to the rule of law and respect for constitutional institutions.

Thank you.

