



# **REPUBLIC OF KENYA**

## **MINISTRY OF INFORMATION, COMMUNICATIONS, AND TECHNOLOGY**

**REMARKS BY MR. JOE MUCHERU EGH, CABINET SECRETARY,  
MINISTRY OF ICT DURING THE KOTDA/KEPSA INVESTOR  
BRIEFING ON FRIDAY, JUNE 21, 2019 AT THE  
INTERCONTINENTAL HOTEL, NAIROBI**

Mr. Nicholas Nesbitt, Chairperson, Kenya Private Sector Alliance (KEPSA)  
Dr. Reuben, Mutiso, Chairman, Konza Technopolis Development Authority (KoTDA)  
Eng. John Tanui, Chief Executive Officer, Konza Technopolis Development Authority (KoTDA)  
Mr. Michael Macharia, Chair, ICT Sector Board, KEPSA  
Distinguished Guests  
Ladies and Gentlemen

Good morning!

- 1) Let me start by thanking you for joining us this morning for a conversation on your role in the development of Konza Technopolis. The government acknowledges and appreciates the catalytic role played by the private sector towards the steady economic growth of our country.
  
- 2) In April this year, the World Bank projected that Kenya's real gross domestic product will grow by 5.7% in 2019. Despite this positive economic trajectory, we are witnessing a subdued private sector, and this calls for us to intensify our engagement and identify specific investment areas that can enhance economic growth.

- 3) We all agree that technology is rapidly evolving and is causing a lot of disruption and convergence, as witnessed in the financial and telecommunication sectors.
  
- 4) Kenya is recognized globally as a tech-savvy country and is hailed for developing some of the most innovative and progressive solutions to everyday situations. We have witnessed major corporations such as Tesla and Boeing engaging the services of Kenyan engineers in some of their most strategic departments. This speaks to our innovative acumen and calls for enhanced collaborative engagements between the government and private sector, to nurture and engrain these talents locally.

- 5) Recently in Kigali, Rwanda, His Excellency the President launched the Digital Economy Blueprint. I thank the private sector members who contributed towards the development of this blueprint, which is expected to inform the digital economy strategy for Africa.
- 6) By taking a lead in the race towards becoming a digital economy, Kenya stands to leapfrog inherent disruptive technologies, that will see us emerge from a low middle-income economy to an emerging market and advanced economy.

**Ladies and Gentlemen:**

- 7) What brings us together today is the Konza Technopolis - a Smart City that we are developing for you! The city will contribute towards our

effort to becoming a digital economy. It is expected to attract businesses, small and large, national and international, and create an ecosystem that will support and educate new and existing techpreneurs.

- 8) We are alive to the fact that developing a smart city is not just about brick, mortar and technology. It requires robust input, ideas and expertise from a wide range of stakeholders. Through continuous dialogue and engagements, we are keen to involve all of you in the development of the Konza Technopolis. This is in fact our third high level engagement with KEPSA, as we are keen to ensure that you take priority in the city's development.

**Ladies and Gentlemen,**

- 9) The implementation of Phase 1 of Konza is progressing well. As alluded to by the previous speakers, the Master Plan of Phase 1 begun on a 400-acre piece of land and is expected to attract 30,000 residents, 7,500 knowledge workers, and 16,700 other workers upon its completion.
- 10) As a government, we are keen to ensure that the requisite infrastructure for the city has been implemented and funds have been set aside in the current financial year (FY2019/20) for this. The current ongoing priority projects include *(i) Construction of Konza Complex; (ii) Development of Horizontal Infrastructure (through EPC-F); (iii) Design of the Konza National Data Centre; and (iv) Design of Kenya Advanced Institute of Science and Technology (KAIST).*

- 11) KoTDA has also signed strategic investors drawn from the public sector including Ministry of Education for the development of a Science Technology Park (STP), National Construction Authority (NCA) for the construction of NCA Offices and a Training facility, Kenya Electricity Transmission Company (KeTRACO) for construction of Substation and Residential Units for Staff.
- 12) Several other investment interests registered with the Authority from the private sector have been processed for parcel allocation.
- 13) In terms of access, I am happy to note that Konza will benefit from the dualling of the Nairobi-Mombasa expressway. The first section, from the Namanga Road junction near Kitengela, will have an



interchange near Konza Technopolis and a spur road to the Machakos turnoff at Kyumvi.

14) Clearly, the dual carriage road will significantly cut travel time to Konza and at the same time enable easy access to the capital city, Nairobi.

### **Ladies and Gentlemen,**

15) We estimate that the total investment on Konza Technopolis Phase 1 by the private sector and the government will be over Kshs. 600 billion. Of this, the government will contribute approximately 10% for the development of core infrastructure to facilitate investment by the

private sector. So far, the government has already invested close to Ksh.100 billion in the project

16) I am also pleased to inform you that the first building in Konza, which will house KoTDA's headquarters, is now ready for occupation. The building will also host early investors and provide space to innovators especially in the three clusters of ICT/ITES, Life Science and Engineering. You are invited to take up space and locate your business within the city.

17) KoTDA has also established the **Konza Innovation Ecosystem Initiative (KIEI)**, a program bringing together the Academia, Industry, Government and Civil society. This program is expected to drive the Knowledge Economy and Innovation pillar of Konza

Technopolis and again, I urge you to please sign up for this great initiative.

18) To spur economic growth drive by a robust private sector we are deliberately putting structures in place to position the sector and Konza as a hub. We have provided within the sector opportunities that will enable you tap into the big 4 for agenda.

19) We acknowledge the housing deficit of over 2 million units in the country with 61% urban dwellers living in slums, this creates a huge investment opportunity for the private sector.

20) In the Affordable Housing we have allocated 26 acres of land in Konza for various housing projects, this will cater for the high-end

market and the Bottom of the Pyramid populations through provision of *Affordable Housing Unit*. Upon completion, the entire Technopolis will be home to 200,000 population by 2030.

21) Further, we believe that within the housing sector technology will enable government and private companies to readily locate resources. It will also increase employability through linkages between employers with workers, thus supporting the gig economy.

22) Konza has allocated 108 acres to *Industrialization, Light Manufacturing and Agro-processing* within Phase 1. This sector will be supported by the vibrant ICT infrastructure and leverage on the Konza's innovation ecosystem. The private sector should take

advantage of incentives within the Special Economic Zone, to support light Manufacturing and Agro-processing within Konza.

23) The city has made provisions for Modern *Commercial Agriculture* in addition to playing host to research facilities focusing on affordable and efficient agricultural solutions aimed at addressing the country's Food and Nutrition needs. An additional 26 acres of land within Phase 1 is set aside for the *Life Sciences Band*.

24) This *band* will house investments and developments in the *Universal Health Care* through development of world-class Health Care xFacilities, Laboratories and Research Centers.

25) The private sector needs to invest in research and development that will push affordable healthcare and insurance option targeted at the informal sector. We are calling upon you to invest in local manufacturing of pharmaceuticals and medical equipment so as to reduce the cost of healthcare, and also encourage medical tourism to our country.

**Ladies and Gentlemen,**

26) For us to build a world class smart city, we need to leverage on the strengths and competencies of various organizations in the public and private sector as well countries in Africa and beyond.

27) Already, over seventeen (17) investors have been approved to establish different investments, among them a hospital, office buildings, research and investment facilities, housing, schools and

recreational facilities. The Phase 1 still has over 145 parcels of land available for investor uptake.

28) In conclusion, I look forward to a fruitful, enlightening and vibrant discussion this morning. I trust that at the end of it, you will all take up investment opportunities in Konza, and in addition, become our Brand Ambassadors of Konza Technopolis.

29) Kenya is ripe for investment and Konza Technopolis is a good place to start.

**Thank you!**