



**SPEECH BY MR JOE MUCHERU, EGH, CABINET SECRETARY,
MINISTRY OF INFORMATION, COMMUNICATION AND
TECHNOLOGY DURING THE LAUNCH OF SYSPRO'S REPORT
ON MANUFACTURING IN KENYA ON 3RD JULY 2019 AT
SERENA HOTEL**

**Madam Betty Maina, PS, State Department for
Industrialization**

**Prof. Bitange Ndemo, former PS, Ministry of ICT, ICT
Champion, Academician, and Newspaper Columnist**

Mr. Mark Wilson, MD SYSPRO Africa

**Mr. Sachin Gudka, Chairman Kenya Association of
Manufacturers, and MD for Skanem Group, East Africa**

**Mr. Jared Osoro, the Kenya Banker's Association Director of
Research and Policy**

Mr. Mira Shah, CEO Synresins Limited

Distinguished Ladies and Gentlemen

Good Morning

I feel greatly honoured and indeed delighted to have been invited to this very important event. To me, it is important particularly because of the role of research in providing solutions to problems affecting the industry and humanity at large.

I also wish to thank SYSPRO and Strathmore University for engaging in this very important exercise. Universities specifically exist in order to generate new knowledge and provide solutions to our everyday challenges.

It is such an achievement and a milestone that Strathmore University in collaboration with SYSPRO have conducted the research and made deliberate efforts to share their findings and recommendations with us on manufacturing sector, this being a top agenda for the Government.

This is the collaboration we ask of our partners in order to help grow our economy. It is my hope that other stakeholders will feel challenged by this and also take advantage of these findings to improve their processes.

In view of globalization that has created economic pressures and cut-throat competition, there is need for developing strategic interdisciplinary approaches and solutions. The collaboration between academia and the private sector through support of the advancement of research, innovation, and technological development is key to addressing challenges in the manufacturing industry.

I am happy to note that this partnership between SYSPRO and Strathmore University is one that has resulted in research findings

that give us a new perspective into the use of technology in the manufacturing sector in Kenya.

As Government, we recognize the importance of ICT in stimulating national development, particularly creating a platform for financial inclusion and participation by all sections of the population in economic development. In the Government's Big Four Agenda, manufacturing sector which currently contributes 9.6% to the GDP, is a priority sector.

The goal is to get the manufacturing sector contribute 20% of the GDP by 2022. We believe that ICT, among other factors will play a major role in the success of this goal.

Ladies and Gentlemen

From the research findings presented today, less than 10% of SMEs in manufacturing are fully automated. This means that most of the SMEs use manual systems that are inefficient and unreliable.

This is not an impressive situation. It is important to integrate innovative ICT solutions and automate processes in manufacturing in order to increase efficiency and maximize on quality and quantity of products.

It cannot be gain stated that high quality products are competitive in the market. Therefore, there is urgent need to intervene in this sector as SMEs form the backbone of our economy. In our Digital Economy Blueprint, we have what we call the digital business pillar that focuses on the development of a robust digital market characterized by increasing quality of financial inclusion, fair competition, resilient data infrastructure, advanced consumer protection and greater regional integration.

Our focus areas in this pillar are digital trade, digital financial services, and digital content. The goal is to create a digital economy in which every citizen and business can trade real goods; Information goods and Services, including labor in a seamless manner.

I want to assure you that Government is a strong proponent of a smart society and a smart economy through SMEs and we feel that ICT has the potential to remarkably transform the SMEs development trends by expanding their business opportunities. For instance, the adoption of technology strategies such as on-line sales and marketing will fundamentally reduce SMEs business operating costs and increase possibility of revenue growth and increased net profit.

Distinguished Ladies and Gentlemen

The use of social media platforms such as the Twitter and Facebook can enable entrepreneurs to interact with their customers and help build their customer base and introduce new products and services to markets. Social media also helps SMEs to respond to customer needs wherever they are in a manner that will significantly impact on the relationship between the client and the organization. Additionally, the use of multiple channels of communication such as email, web chats, and sms, among others can ease communication and interaction between entrepreneurs and customers.

We acknowledge that socio-economic challenges in the country can only be resolved through joint efforts such as Public Private Partnership (PPP) programmes. Such programmes provide opportunity for funding and access to skilled human resource, among others. However, the most important issue is how to get all the stakeholders to collaborate in addressing the challenges identified in this report.

Fellow Participants

As part of strategy to develop a digital economy, we have made broadband connectivity and access to the internet a priority across the country in order to bridge the digital divide and increase uptake of technology solutions. Our objective is to have broadband available to all Kenyans within walking distance even in rural areas.

Already, we have laid down over 6000 Km of the National Optic Fibre Backbone Infrastructure (NOFBI) across the country. Connectivity has been done to all County headquarters for County and National Government offices such as police stations, health facilities and all public offices. The objective is to develop a robust ICT infrastructure to attract private sector investments in any part of the country and avail Government services online.

We are doing this because the future of the world will be driven by ICT. I am pleased to note that some of the local manufactures have deployed new technologies such as Internet of Things in their processes. Similarly, as part of efforts to develop a rich pool of highly skilled ICT human resources to drive SMEs and ICT innovations in the digital age, the Government initiated the Presidential Digital Talent Programme (PDTP), an internship Programme that develops the ICT talent through collaboration between the public and private sectors.

The program, implemented through ICT Authority, identifies talented new graduates in Engineering, ICT, doctors and lawyers and places them in internship programs in private and public institutions to gain work experience and learn how the two sectors operate and collaborate.

I urge all the companies present to enroll as partners. Let us work together to provide training opportunities for our youth and create the skilled workforce we desire.

In conclusion, Ladies and Gentlemen

I want to emphasize that the Government is committed to encouraging and protecting investments in the country. We do this by providing land for investments and formulating investor friendly policy and legislative frameworks. We ask the private sector to collaborate with the Government in order to implement the Big Four Agenda, which is aimed at improving the country's living standards.

With those remarks, I thank you for listening to me.

Thank you and God bless you.