

**REMARKS BY HENRY ROTICH, EGH, CABINET SECRETARY, THE  
NATIONAL TREASURY DURING THE NAIROBI INTERNATIONAL  
FINANCIAL CENTRE AUTHORITY STRATEGY MEETING HELD AT THE  
VILLA ROSA KEMPINSKI ON FRIDAY 2<sup>ND</sup> SEPTEMBER, 2016**

---

**The Governor Central Bank of Kenya  
The Chief Executives of the Financial Sector Regulators;  
Distinguished Guests;  
Ladies and Gentlemen.**

1. It is my pleasure to join you today for this event which marks a key milestone in the journey to the emergence of Nairobi as a world class global financial centre. This journey began with the designation of the

Nairobi International Financial Centre (NIFC) as one of the flagship projects under Vision 2030 implemented by the National Treasury.

2. **Ladies and Gentlemen**, as you are aware, the financial sector plays an important role in any country's economic development and a better developed financial systems are associated with faster economic growth. Our financial sector is relatively strong and vibrant and is expected to play a critical role in achieving economic growth rate of 10 percent set under Vision 2030.

3. The Nairobi International Financial Centre Authority was established to undertake a range of activities to develop an efficient and globally competitive financial services sector to serve the interests of

both domestic and international investors. The development of the Centre is also expected to create employment, raise financing for flagship projects and tap into new investments coming to Africa. Vision 2030 envisages Nairobi International Financial Centre as a catalyst for Kenya to gain a stronger presence in Sub-Saharan Africa's growing financial services market.

4. **Ladies and Gentlemen,** I also note that developed financial institutions and financial markets drive economic development, poverty alleviation, improvements in standards of living and economic stability. Establishment of the Centre will stimulate development of related industries as demand increases for air and sea transportation, modern medical services, world class educational institutions, hotels, modern

office buildings and cultural and entertainment industries. Positive stimulus to employment and infrastructure in the Centre will also have other spill over effects on the rest of the economy as the benefits cascade to the other segments of the economy.

5. The secretariat of the Authority has finalized the detailed policy and legal framework within the parameters approved by the Cabinet. The draft NIFC Bill was exposed to the public for input in the months of June/July, 2016 and the stakeholder comments received were incorporated. I will soon forward the draft Bill to the Cabinet for approval.

6. The secretariat also with support from FSD Africa is exploring on the possible incentives and strategies that will attract and encourage

investment groups, banks, stock brokerages, pension funds and insurance companies to set up offices at the Nairobi International Financial Centre (NIFC).

7. The National Treasury has already signed a MOU with the Qatar Financial Centre on possible areas of collaboration. At this point I would like to appreciate the Qatar Financial Centre represented here by Mr Oscar Njuguna for the dedicated support in developing the NIFC policy and legal framework and operationalization of the Centre.

8. **Ladies and Gentlemen**, as you are aware, Kenya is considered a regional leader in the financial services sector and has a competitive advantage with all the ingredients of an international financial Centre-

- **First**, Kenya is strategically positioned geographically and is within four hours flying time to most African countries. This is supported by the national carrier Kenya Airways which flies to 40 cities in Africa.
- **Second**, Kenya has proximity to a vast hinterland of over 100 million people in the East African region and the opening of the Northern axis of Ethiopia, South Sudan and Somalia with over 80 million people. This gives the critical mass required by multinationals.

- **Third**, Kenya's legal system is based on British common law jurisdiction which is acceptable in developed international financial centres.
- **Fourth**, Nairobi has reasonable quality human capital and talent needed by multinationals opting to set up business in Nairobi.
- **Fifth**, Kenya has robust legal and regulatory framework based on international best practices. The country also enjoys relative political and macroeconomic stability which is key to investor confidence.

- **Six**, Nairobi has a reasonable quality of life with quality educational, health, cultural and recreational activities.
- **Seventh**, Kenya is acknowledged as a world leader in leveraging technology to expand access to financial services and world leader in mobile money transfer which has generated a lot international interest and revolutionized business environment.

9. **Ladies and Gentlemen**, in this regard, Kenya has great potential to position itself as a regional hub and it has been ranked one of the top countries in attracting Foreign Direct Investments (FDIs). Recognizing

the role of well-functioning of financial centres in stimulating investments, a number of African countries including Ethiopia, Botswana and Rwanda have strategies to position themselves as leading international financial centres. In order to out compete such contenders, we need to lay down strategies to support the development of an enabling environment that encourages economic diversification including niche activities and innovation.

10. However, **Ladies and Gentlemen**, the transformative agenda, and other facilitative actions to enable development of Nairobi as a financial hub, will not be achievable without collaboration between different Government departments and agencies. It is for this reason that we are meeting here today to enable us share the strategy for the NIFC and to

exchange input, opinions and advice. By working together, we will be able to achieve the dream of making Nairobi a truly world class financial Centre.

11. Finally, I would like to greatly applaud FSD (Africa) for the support, Deloitte Consulting and the NIFC technical secretariat for the work they have done this far towards realization of our vision. I also once again thank you all for joining us in this journey to make Nairobi a destination of choice for investors.

Thank you.

