



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND ECONOMIC PLANNING

SPEECH BY
HON. FCPA JOHN MBADI NG'ONGO, EGH
THE CABINET SECRETARY

DURING THE LAUNCH OF
THE 2025 ECONOMIC SURVEY REPORT

ON

6TH MAY 2025

AT

KENYA INTERNATIONAL CONVENTIONAL CENTER

Fellow Cabinet Secretaries present

**Principal Secretary – State Department for Economic Planning,
Dr. Bonface B. Makokha,**

Principal Secretaries present,

KNBS Board Chair, Dr. Daniel Mwirigi M'Amanja,

KNBS Board Members present,

**Director General, KNBS – Dr. Macdonald George Obudho,
All the KNBS Staff**

Representative of Development Partners,

Government Officers present,

Representatives from the Media Fraternity,

Distinguished Guests

Ladies and gentlemen

Good morning

- 1) It is both an honor and privilege to welcome you to the official launch of the 2025 Economic Survey Report. The Economic Survey Report is an annual publication prepared by the State Department for Economic

Planning through the Kenya National Bureau of Statistics (KNBS) since 1960. The Report serves as a comprehensive overview of Kenya's socio-economic performance, providing invaluable data and insights for policymakers, researchers, investors, the business community, and the general public.

- 2) Following persistent negative shocks, the Kenyan citizens have great expectations particularly as the nation seeks for strategies to stimulate economic recovery. The persistent negative shocks include: constrained fiscal space; high interest rates exacerbating debt servicing costs; domestic social economic upheavals occasioned by protests regarding the 2024 Finance Bill; significant losses caused by frequent extreme weather events; trade disputes; and disruptions to global supply chains due to ongoing geo-political conflicts. These negative shocks have impacted economic activities and increased the cost of living, underscoring the need for robust and targeted interventions.
- 3) As we release the 2025 Economic Survey Report, I am pleased to note that KNBS adheres to the United Nations fundamental principles of official statistics, thus ensuring the highest standard of data quality. With technical support from the World Bank, Office of the National Statistics UK, Statistics Sweden, Italian National Institute of Statistics and other partners, KNBS developed frameworks to enhance the quality and reliability of the statistics it produces and disseminates.

Ladies and Gentlemen

- 4) It is important to appreciate that the Economic Survey Report has been adopted as a basis for measuring the performance of critical indicators

for key sectors in the Fourth Medium Term Plan (MTP IV) 2023–2027 which is aligned to the Bottom-Up Economic Transformation Agenda (BETA).

- 5) The 2025 Economic Survey Report focuses on the performance of Kenya's economy in 2024 besides presenting the sectoral trends for the period 2020 to 2024 based on detailed social and economic indicators.
- 6) The findings of the 2025 Economic Survey Report presented today reveal that in 2024, Kenya recorded Gross Domestic Product (GDP) of **KSh 16.2 trillion**. This reflected a decelerated growth rate of **4.7%** compared to **5.7%** in 2023. This slowdown mirrors global trends, where the world real GDP reduced from **3.3%** in 2023 to **3.2%** in 2024.
- 7) The country's annual inflation rate eased from **7.7%** in 2023 to **4.5%** in 2024, with the lowest inflation rate of **2.7%** recorded in October 2024. The Inflation rate is projected to remain within the government's target range of 2.5% to 7.5%, supported by low non-food, non-fuel inflation, decreasing food and energy prices, and a stable exchange rate. The Kenyan shilling appreciated significantly against the dollar, strengthening from an all-time high of **KSh 159.69** at the beginning of 2024 to **KSh 129.36** by the end of the year.

Ladies and Gentlemen

- 8) On the fiscal front, projected revenue is expected to reach **KSh 3.1 trillion** during the FY 2024/25, translating to revenue-to-GDP ratio of **19.20%**, up from **17.43%** in the FY 2023/24. To achieve this, the

government will continue to explore own-source revenue collection from Ministries, Departments, Agencies and Counties and encourage private investments, including Foreign Direct Investments. The government will also curb runaway expenditure through: fiscal consolidation; adoption of an accrual accounting system at both levels of government; and sustained digitalization of government processes and services.

- 9) In 2024, a total of **782.3 thousand** new jobs were created. Of these, the formal sector contributed **78.6 thousand** jobs, while the informal sector, predominantly driven by Micro, Small, and Medium Enterprises (MSMEs), accounted for **703.7 thousand** new jobs. This underscores the critical role of the informal sector as the primary source of employment and income generation for the majority of Kenyans.
- 10) To meet the MTP IV goal of creating an average of **1,200,000 new jobs** each year, the Government plans to intensify the transformation of the MSME sector. This will be achieved by: enhancing the Hustler Fund so as to improve access to affordable credit; and undertake targeted interventions to strengthen and formalize MSMEs in order to maximize their potential, enhance productivity, and create sustainable employment opportunities.

Ladies and Gentlemen

- 11) Looking ahead, Kenya's economy is projected to exhibit resilience and stability in 2025, with growth driven by a robust services sector and enhanced agricultural productivity supported by favorable weather and distribution of subsidized fertilizers and seeds. This positive outlook

is further underpinned by a stable macroeconomic environment and steady international oil prices. Anticipated declines in interest rates are expected to stimulate private sector credit growth, boost economic activity, and accelerate overall economic growth.

- 12) Additionally, effective implementation of priority value chains under the Bottom-Up Economic Transformation Agenda in key areas such as Agricultural Transformation, the Micro, Small, and Medium Enterprise (MSME) economy, Housing and Settlement, Healthcare, and the Digital Superhighway and Creative Economy will promote inclusive growth. These initiatives, aided by identified enablers, aim to lower the cost of living, eradicate hunger, create jobs, expand the tax base, and improve foreign exchange balances.

Ladies and Gentlemen

- 13) In an ever-evolving data ecosystem, uptake of big data, citizen-generated data, Artificial Intelligence (AI), and other technologies is essential. The challenge for KNBS is to continuously innovate to meet demands for granular, high-frequency indicators while ensuring the data disseminated is of high quality, consistent and has undergone all necessary validation checks. I am aware that KNBS has established a data science lab, in an effort to meet the growing demand for reliable and timely statistics.
- 14) As I conclude, I would like to thank the KNBS staff who have worked tirelessly to make production of this annual report a success. I applaud the development partners for their support in financing various statistical development activities in Kenya. Special gratitude goes to

the World Bank for, financing the implementation of the KNBS statistical activities under the Kenya Statistical Programme for Results initiative which has ensured that data gaps in the statistical system are reduced. I would also thank all producers of statistical information, including industries and businesses in the private sector, for their continued cooperation in provision of quality and timely statistics.

Ladies and Gentlemen,

With these remarks, I now declare the 2025 Economic Survey Report officially launched.

Thank you.