

TALKING NOTES BY:

**H.E. UHURU KENYATTA, C.G.H,
PRESIDENT AND
COMMANDER-IN-CHIEF OF
KENYA DEFENCE FORCES**

OCCASION:

**PRESIDENTIAL ADDRESS ON
THE STATE INTERVENTIONS
TO CUSHION KENYANS
AGAINST ECONOMIC EFFECTS
OF COVID-19 PANDEMIC**

VENUE:

STATE HOUSE, HOUSE

DATE:

25TH MARCH 2020

Fellow Citizens,

1. The Coronavirus (COVID-19) Pandemic is an unprecedented global health crisis that has so far manifested in over **184 Countries and Territories**. Globally, over **400,000 cases** of the virus have been reported.

2. Here in Kenya, it has been **12 days** since our first confirmed case of Coronavirus.

3. Our Nation's response has been comprehensive and multi-faceted; with the Ministry of Health leading the charge by announcing policy measures and **behavioural protocols**, geared towards limiting the spread of this disease.

4. These policy measures and behavioural protocols continue to dramatically change our way of life. **Additionally**, various State Agencies and Private Sector Entities have complemented our efforts by implementing further measures, which we appreciate and applaud.

Fellow Kenyans,

5. Yesterday, Kenya had 25 confirmed cases of the Coronavirus. **Today,** we have received confirmation of an additional **3 new cases,** bringing our national tally to **28 confirmed cases.**

6. Amidst this trend, I am pleased to announce that numerous other suspected cases have been found to be negative after rigorous testing. **More importantly,** we have today registered one recovery of the patients. **This** is a clear indication that we can and we will beat the virus.

7. Many more persons, both Kenyans and Foreigners, remain under close monitoring under either self-quarantine or compulsory-quarantine; measures which we have taken to ensure the safety of all our People.

8. I wish to assure you all that as a Government, at both the National and County Levels, we are implementing strict evaluation and monitoring protocol, designed to proactively seek out and test persons who may be carriers of this virus.

9. I also wish to assure you all that we are continuously enhancing our testing and quarantine capacity on a day-to-day basis, as supported by our development partners and international organizations. **We** are grateful to Kenya's friends like **Jack Ma**, who yesterday donated testing kits and other equipment's.

10. We are and we will remain ahead of the curve.

Fellow Kenyans,

11. In recognition of the extra-ordinary nature of this global tragedy and its enormous local effects, and conscious of the solemn duty of the Government to guarantee the enjoyment of social, civil and economic rights; my Administration has made and will continue to make targeted state interventions **to cushion every Kenyan from shocks arising from COVID-19.**

12. I recognize the anxiety that this pandemic has caused millions of Kenyan families; fearful of what the future may hold for them and their children. **And** the possibility of job losses and loss of income weighing heavily on their minds.

13. I in order to protect jobs for our people and to provide some certainty for both employees and their employers, **I**, as your President, **ORDER** and **DIRECT** as follows:

13.1 That the National Treasury implements the following **immediate reliefs and increase disposable income to the people of Kenya**, through:

- I. 100 % Tax Relief** for persons earning gross monthly income of up to **Ksh. 24,000.**
- II. Reduction of Income Tax Rate** (*Pay-As-You-Earn*) from **30% to 25%.**

III. Reduction of Resident Income Tax (Corporation Tax) from 30% to 25%;

IV. Reduction of the turnover tax rate from the current 3% to 1% for all Micro, Small and Medium Enterprises (MSMEs);

V. Appropriation of an additional **Ksh. 10 Billion** to the elderly, orphans and other vulnerable members of our society through cash-transfers by the Ministry of Labour and Social Protection, to cushion them from the adverse economic effects of the COVID-19 pandemic;

VI. Temporary suspension of the listing with Credit Reference Bureaus (CRB) of any person, Micro, Small and Medium Enterprises (MSMES) and corporate entities whose loan account fall overdue or is in arrears, effective 1st April, 2020.

1. The National Treasury shall cause immediate reduction of the VAT from 16% to 14%, effective 1st April,2020;

2. That all Ministries and Departments shall cause the payment of at least of Ksh. 13 Billion of the verified pending bills, within three weeks from the date hereof. Similarly, and to improve liquidity in the economy and ensure businesses remain afloat by enhancing their cash flows, the private sector is also encouraged to clear all outstanding payments among themselves; within three weeks from the date hereof.

3. That the Kenya Revenue Authority shall expedite the payment of all verified VAT refund claims amounting to Ksh. 10 Billion within 3 weeks; or in the alternative, allow for offsetting of Withholding VAT, in order to improve cash flows for businesses.

4. That Ksh. 1.0 billion from the Universal Health Coverage kitty, be immediately appropriated strictly towards the recruitment of additional health workers to support in the management of the spread of COVID-19.

5.1 In that regard, I further direct the Ministry of Health, the County Governments and the Public Service Commission to expedite the recruitment process.

5. In sharing the **burden occasioned** by the present global health pandemic, over the duration of the global crisis and commencing immediately, my Administration has offered a voluntary reduction in the salaries of the senior ranks of the **National Executive, as follows:**

6.1 The President & Deputy President – 80%;

6.2 Cabinet Secretaries – 30%;

6.3 Chief Administrative Secretaries – 30%;

6.4 Principal Secretaries – 20%

6. I call on the other arms of Government and tiers of Government to join us in this national endeavour, by making similar voluntary reductions; which will free-up monies to combat this pandemic.

7. Further to the guidelines issued encouraging State Agencies to establish and implement frameworks for staff to work from home;

8.1 I hereby order and direct that all State and Public Officers with pre-existing medical conditions and/or aged **58 years** and above, serving in **Job Group S** and below or their equivalents, take leave or forthwith work from home,

excluding personnel in the security sector and other essential services as outlined in the circular issued to the Public Service on **16th March, 2020.**

Fellow Kenyans,

8. The Central Bank of Kenya has additionally rolled out the following Measures:

9.1 The lowering of the Central Bank Rate (CBR) to **7.25% from 8.25%** which will prompt commercial banks to lower the interest rates to their borrowers, availing the much needed and affordable credit to MSMEs across the country.

9.2 The lowering of the Cash Reserve Ratio (CRR) to **4.25 percent** from **5.25 percent** will provide additional liquidity of **Ksh. 35 Billion** to commercial banks to directly support borrowers that are distressed as a result of the economic effects of the **COVID-19 pandemic.**

9.3 The Central Bank of Kenya shall provide flexibility to banks with regard to requirements for **loan classification** and **provisioning for loans that** were performing as at **March 2,2020** and whose repayment period was extended or were restructured due to the pandemic.

9. I have re-organized the ordinary calendar of Cabinet, its committees and key State Agencies so as to apply a whole-of-government approach to the COVID-19 Pandemic, and to foster enhanced responses to the same.

10. We have further introduced close co-ordination and collaboration with the County Governments; in addition to the establishment of sectoral Working Groups to more effectively and expeditiously implement action-points.

Fellow Kenyans,

11. On behalf of a grateful nation, I extend our heartfelt and eternal gratitude to our Medical Professionals and Health Workers, for their exemplary work that is the backbone of our continuing successes in limiting COVID-19 within our Borders.

12. I also wish to recognize and thank all Kenyans serving in critical and essential service sectors, for their excellent efforts which have ensured the continuity of our supply-chains and the provision of critical and essential services.

13. To honour their hard work and sacrifice, it is incumbent on every Kenyan to support the efforts of our Medical Professionals, Health Workers, Critical and Essential Services Providers, and the Government as a whole by reducing movement and congregating in large groups.

14. To that end, the National Security Council has sanctioned and caused the issuance of a **Public Order Number 1 on the Coronavirus Pandemic**, with the following key aspects:

15.1 That effective **Friday, 27th March, 2020**; a Daily Curfew from **7 p.m. to 5 a.m.** shall be in effect in **the territory of the Republic of Kenya**, with all movement by persons not authorized to do so or not being Medical Professionals, Health Workers, Critical and Essential Services Providers, being prohibited between those hours (*The full list of Critical and Essential Service Providers is annexed to this Statement*); and

15.2 That with immediate effect, the management of the Kenya Ferry Services is vested in the National Police Service, the Coast Guard and the National Government Administration Officers (NGAO).

Fellow Kenyans,

15.3 Social Distancing is now our new norm, it is our new way of life.

15.4 We reiterate that the most effective way to limit the spread of the virus is through basic changes in individual behaviour and hygiene. We have recently experienced cases within our country where transmission was from our political and religious leaders who unfortunately did not heed the guidance by the Ministry of Health on self-quarantine and social distancing.

I therefore once more call on everyone to:

- wash hands frequently with hand sanitizers or soap and water for at least 20 seconds;
- cover our nose and mouth when coughing and sneezing with tissue or flexed elbow;
- avoid close contact with anyone with cold or flu-like symptoms.

15. These measures will slow the spread and ease the effects of COVID-19 on our Nation, and allow our Health Care System and our First Responders to most effectively deal with the Pandemic.

Fellow Kenyans,

16. Our Nation has always overcome and emerged from **seemingly insurmountable challenges stronger and better.**

17. Defeating this Pandemic demands cooperation, collaboration and common action.

More than that, it calls for unity and shared understanding, strict adherence to the protocols issued by the Ministry of Health and other relevant Agencies, and the adoption by every person of measures that will contain the spread of the virus.

18. Every time we have been faced with adversity Kenyans have coalesced together and pulled each other out of the situation.

19. Our nation shall prevail, the aspirations of our destiny shall stand. Together we shall be victorious, Pamoja tutashinda. We can and we shall defeat the Coronavirus Pandemic.

20. God Bless each and every one of us, and God Bless Kenya.

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ANNEX 1

ENHANCED NATIONAL RESPONSE TO THE CORONAVIRUS (COVID-19) PANDEMIC

CLASSIFICATION OF CRITICAL AND ESSENTIAL SERVICES

THE SCHEDULE

1. Medical Professionals & Health Workers
2. National Security, Administration and Co-ordination Officers
3. Public Health and Sanitation officers in the County Governments
4. Licensed Pharmacies and Drug Stores
5. Licensed Broadcasters and Media Houses
6. Kenya Power & Lightening Company Limited
7. Food Dealers, Distributors, Wholesalers & Transporters of Farm Produce
8. Licensed Supermarkets, Mini-Markets and Hypermarkets
9. Licensed Distributors and Retailers of Petroleum and Oil Products and Lubricants
10. Licensed Telecommunication Operators and Service Providers
11. Licensed Banks, Financial Institutions and Payment Financial Services
12. Fire Brigade and other Emergency Response Services
13. Licensed security firms