

Kenya as a services hub *The role of services in economic transformation*

SET workshop
Venue: Intercontinental Hotel, Nairobi
28th April 2015

This workshop will assess the role of services in economic transformation and job creation in Kenya; followed by in depth discussions of two services sectors (IT enabled services, financial services). The workshop forms part of a project of ODI's Supporting Economic Transformation Programme. The aims are to (i) examine Kenya as an example of services-led transformation (ii) examine what needs to be done to raise Kenya's services sector to become a regional and global services hub; (iii) examine the costs and benefits of a services-led approach to economic transformation and employment vis-à-vis an agriculture or manufacturing-led approach.

Draft programme

8.30 Opening and key note address – Dr. Geoffrey Mwau, Director General/Budget Fiscal and Economic Affairs, National Treasury

9.30: Session 1: The role of services in economic transformation

Chair – Prof. Gituro Wainaina, Ag. Director General Vision 2030 Delivery Secretariat

The service sector is an important component of any country's economy. It makes a direct and significant contribution to GDP and job creation, and provides crucial inputs (e.g. logistics, energy, financial or ICT services) for the rest of the economy, thus having a significant effect on the overall investment climate, which is an essential determinant of growth and development. Some service sectors such as the health, education, water and sanitation sectors are also directly relevant to achieving social development objectives. But which type of services can contribute to economic transformation and what are the links between services and economic transformation (defined as moving labour between sectors, improving factor productivity, and trade diversification). What are the potential costs and benefits from focusing on services vis-à-vis agriculture and manufacturing? What can maximise the contribution of services to economic transformation and job creation.

Panellists:

- Dirk Willem te Velde, Director of SET, Head of International Economic Development Group, ODI
- Frank Matseart, CEO, TradeMark East Africa
- Ottavia Pesce, Associate Economic Affairs Officer, Regional Integration and Trade Division, Industrialisation and Infrastructure Section, UNECA
- Julius Gatune Kariuki, Policy Advisor, African Centre for Economic Transformation
- Lucy Muchoki, CEO, Kenya Agribusiness and Agroindustry Alliance, and Vice Chair of Kepsa Agricultural Sector board
- Borko Handjiski, Senior Economist, African Department, World Bank (Video message), tbc

Discussion

11:00 Tea break

11.30: Session 2: IT enabled services and economic transformation (with application to Kenya)

Chair – Professor Bitange Ndemo, University of Nairobi

The IT enabled service sector (e.g. ITC) has transformed many countries around the world including India, but what is the record so far and potential in sub Saharan African countries? The session will discuss how the ITC sector contributes to economic transformation, what has been achieved so far in Kenya, what else needs to be done in Kenya to ensure a greater impact on transformation, and the lessons from India.

Panellists:

- Anupam Khanna, former chief economist, NASSCOM India
- Eunice Kariuki, Marketing Director, ICT Authority
- Lawrence Arul, Business Development Manager, Zensar Technologies
- Michael Macharia, CEO of Seven Seas, and Chair of Kenya IT Outsourcing Society (KITOS)
- Prasad Kotikela, Head for Africa Region, Tech Mahindra
- Monica Kerretts-Makau, Strathmore Business School

Discussion

13:00 Lunch

14.00 Session 3: Financial services and economic transformation (with application to Kenya)

Chair – Julius Muia Secretary and CEO, National Economic and Social Council, The Presidency

Financial services can contribute to structural transformation as an enabler, as a service to households, and as a productive sector. Kenya has one of the fastest growing financial sectors in sub-Saharan Africa. The session will examine progress to date and barriers to further deepening of the financial sector as well as Kenya's potential for a broader contribution to structural transformation as a regional financial centre and as an offshoring service centre for international financial services.

Panellists:

- Judith Tyson, Research Fellow, Overseas Development Institute
- Prof Lemma Senbet, Executive Director of the African Economic Research Consortium
- Sam Makome, Chief Business Officer and Managing Director, Kenya Commercial Bank
- Jareh Osoro, Director of Research and Policy, Kenya Bankers Association
- Gitau Mburu, Policy Specialist, Financial Sector Deepening Kenya
- Edwin Njamura, Director of Corporate Services, Capital Markets Authority

Discussion

15:30 Closing remarks

- Dirk Willem te Velde, Director of SET, Head of International Economic Development Group, ODI
- Prof. Gituro Wainaina, Ag. Director General Vision 2030 Delivery Secretariat
- Strahan Spencer, DFID Kenya

Tea/coffee

For further information and RSVP please contact Leah Worrall (SET Project Manager) at l.worrall@odi.org.uk or Christine Ngigi (Executive Secretary, Kenya Vision 2030 Delivery Secretariat) at dg@vision2030.go.ke.

