

SA, Kenya seek to address import, export deficit

Johannesburg: Trade and Industry Minister Mandisi Mphalwa told business leaders from South Africa and Kenya that strengthening bilateral relations will focus on reducing the import-export deficit that currently exists.

By [Michael Appel](#) 22 Sep 2008

"Kenya is a strategic trading partner within the East African region due to its geo-political importance.

"We do, however, recognise the trade imbalance in favour of South Africa and the need to urgently address this imbalance," said Mphalwa, Friday, 19 September 2008.

Kenya exports about five billion Shillings (R560 million) to South Africa annually, while it imports South African goods worth 45 billion Kenyan Shillings (R5 billion) explained Kenyan high commissioner to South Africa, Thomas Amolo.

The high commissioner highlighted that the objective of the conference was to establish a strategic partnership between South Africa and Kenya, quell the nerves of investors after post-election violence rocked Kenya earlier this year, and address the trade imbalance.

Minister Mphalwa explained that both South Africa and Kenya were economic and political powerhouses in their respective regions and both must work on driving development and regional integration.

"We are engaging in bilateral relations in order to help both South Africa and Kenya address challenges facing them which include underdevelopment, skills shortages, and unemployment.

"There is a close relationship between trade diversification and closing the trade gap.

"As South Africa, we will encourage South African companies to invest in Kenya - so going forward we will have to work to raise the levels of investment in Kenya.

"Looking to the future, I'd like to see Kenyan companies investing in South Africa about 10 years down the line - that would be a sign of success," said Mphalwa.

Kenya's Deputy Prime Minister and Minister for Trade, Uhuru Kenyatta told the conference that the Kenyan government is committed to attracting and retaining foreign investment via certain incentives.

"There is huge potential for increased trade evidenced in the balance of trade between South Africa and Kenya, which is in favour of South Africa.

"Our country has emerged as a major export market for South Africa ... and we are striving to put in place policy measures friendly to investors which include implementing sound micro- and macro-economic policies," said Kenyatta.

Other incentives to investors include value added tax (VAT) and duty exemption on certain manufacturing machinery, exemption of VAT and duty on certain raw materials and exemption from corporate tax when investing in certain sectors, the deputy minister explained.

The Kenyan government, said Kenyatta, is committed to growing its economy to become globally competitive.

"Despite the post-election crisis, Kenya has a bright future with numerous opportunities for investment.

"As Africa's leading economy, South Africa is a dominant voice in Africa and Kenya has a lot it can learn from South Africa.

"I urge you all to explore the investment opportunities in Kenya as it will only further merge our two economies," said the Deputy Primer Minister.

As part of South Africa and Kenya's aims to further trade and bilateral economic relations, an inter-minister symposium will be held in Nairobi, Kenya in November 2008.

The Kenya Trade Fair and Conference will run from 19 - 21 September 2008 at the Sandton Convention Centre in South Africa.

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