



REPUBLIC OF KENYA
THE NATIONAL TREASURY AND ECONOMIC PLANNING

PRESS RELEASE

Friday 3rd February, 2023

GOVERNMENT KSHS 300 BILLION BUDGET CUT COMMITMENT

The National Treasury's attention has been drawn to media reports alleging that Government has failed to meet the Sh.300 billion spending budget cut target. The National Treasury wishes to provide the following facts:

1. The economy is facing emergencies and pressing issues that include:
 - The persistent drought; where the Government has had to mobilize and divert resources in order to protect and save lives. The current weather forecast shows that during the months of February and March, ASAL and some non-ASAL regions will face severe food shortage requiring massive food relief.
 - Financing of all grade six (6) learners who transitioned from 8-4-4 to the Competency Based Curriculum (CBC), including capitation to facilitate free learning in all public schools and the planned teachers' recruitment to ensure a smooth transition.
2. The carryovers of additional expenditure that were effected outside budgeted items.
3. The rationalization of additional expenditures and carryovers would have created a fiscal deficit of FY 2022/2023 estimated to be more than 8 percent of GDP.
4. With a budget austerity measure to the tune of Sh.300 billion budget cuts, the fiscal deficit for FY 2022/23 drops from 6.2 percent of GDP to 5.7%.

The National Treasury wishes to restate that the government's intent to cut spending by Sh 300 billion has been attained and will be sustained to the end of the fiscal year.

This is a reflection of resource management that will add value and promote sustainability under the Bottom-Up Economic Transformation Agenda (BETA).

The Media is therefore urged to contact the National Treasury and seek clarification on any information that they are uncertain about, so that we bridge the gaps of information in order to process the information and reality around us.

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