

TALKING NOTES BY HON.SIMON CHELUGUI, EGH, CABINET SECRETARY, MINISTRY OF CO-OPERATIVES AND MICRO, SMALL & MEDIUM ENTERPRISES (MSMEs) DEVELOPMENT DURING THE BRAND LAUNCH OF MOMBASA PORT SACCO HELD ON 10TH MAY, 2023 IN MOMBASA COUNTY

Mr. Alfred Konde, National Chairman,
Board of Directors,
Supervisory Committee,
Chief Executive Officer,
Distinguished guests
Ladies and Gentlemen,

1. Introduction

I am pleased to be part of this important event when you are launching your new Sacco brand. I am honored to grace this momentous occasion and would like to take this opportunity to pass my sincere gratitude to the Board for the invitation.

2. Mombasa Port Sacco

- Rebranding is a very important strategic tool for organizations wanting to succeed in this ever competitive business world.

- Organizations may occasionally discover that they may have to reposition and rebrand because of customers change in tastes and preferences and in response to emerging business environment.
- A strong brand enhances positive evaluation of a product quality, maintains a high level product awareness, and provide a consistent image and brand personality.
- After 57 years of the Sacco's existence and its rapid growth, this is the opportune time for Mombasa Port Sacco to reposition its brand.
- I therefore, note with great satisfaction that Mombasa Port Sacco is shifting focus from the county to the national level. By expanding its

geographical reach to tap into a more extensive customer base, thus achieving further growth.

- I am glad to note that Mombasa Port Sacco has achieved tremendous growth despite the various economic challenges experienced in the country. The Sacco managed to record an increase in asset base from Ksh. 7.35 billion to Ksh. 8.1 billion, deposits from Ksh. 4.06 billion to Ksh. 4.58 billion, Loan portfolio from Ksh. 4.53 billion to Ksh. 5.19 billion and with a growth of membership from 9,917 to 11,741 for the financial year ending 2022.
- I am also aware that your Sacco performed very well at the National level by being the Best in Capitalization country wide and at the County

level scooping the award for ‘Best Co-operative Movement stand’ at the ASK Mombasa international show for the year 2022.

- In addition, I take cognizant that the Sacco offers diverse product portfolio that are responsive to the ever-evolving needs of members. This implies that your Sacco has set the right path for rapid growth and expansion. As you expand your footprint to the national level, these numbers will grow even further for enhanced Sacco performance.

3. Role of co-operatives

- The Kenyan Government recognizes the co-operative sector as a critical player in pursuit of Kenya’s national, social, and economic

objectives for rapid economic growth, equity and sustainable development.

- The Government's strategy for economic development as outlined in the “A Bottom-Up Economic Transformation Agenda”. The Cooperative sector will be a crucial player for the Bottom-Up Economic Transformation Agenda as an aggregator of human and financial resources. The sector is also expected to make significant contributes to the Gross Domestic Product (GDP) by providing opportunities for income generation and employment, particularly for vulnerable and marginalized individuals in the society.

- Government economic transformation plan focuses on identifying, establishing and strengthening various value chains from production to manufacturing for exports. My ministry targets on aggregation of smallholder producers on sixteen (16) value chains. My office has already identified officers to champion various value chains with instructions to work closely with county governments and capacity build Kenyans on the promotion of various value chains.
- The Government remains committed to working with actors in the co-operative sector to explore ways of growing the size and membership of our cooperatives and fostering innovation to

enhance productivity and as well as a nurture sustainability. In tandem with rapid digital innovation and evolving member needs.

- The Co-operatives has over 26,000 registered Co-operatives with a membership of over 14 million. The Sacco sub-sector commands over Ksh 1.5 trillion in assets and KES 1 trillion in deposits and a loan book of over Ksh 980 million. Cooperatives in general contribute approximately 30% of Kenya's annual savings.

4. Policy and Regulatory Measures

In view of the critical role played by the Cooperatives and MSMEs sector I want to assure you of my ministry's commitment in providing an

enabling environment for the cooperative sector. Towards this my Ministry is undertaking the following:

- (i) Finalization of the review and enactment of the cooperative legislation, the Co-operatives Bill 2022 that will provide a legal framework that promotes a sustainable and competitive co-operative sector for socio-economic development in a devolved system of governance.
- (ii) Operationalize the Deposit Guarantee Fund, intended to cushion members in case of unfortunate collapse of a Sacco.
- (iii) Support establishment of Central Liquidity and Shared Services Facility to enable Sacco's participate in the National Payment

system and facilitate inter Sacco lending. The shared services will drastically reduce Sacco operating costs and consequently increase returns to member investments.

- (iv) The government will partner with Sacco's in the disbursement of Hustler Fund for onward lending.

5. Conclusion

As I conclude, I reiterate the cooperative sector's importance in actualizing the national economic transformation Plan. I assure you of my Ministry's commitment to working with all cooperative players in realizing the transformation of the lives of all Kenyans. In particular we

will support the Sacco sub-sector for financial deepening and inclusion through accessible and affordable financial services to vulnerable and marginalized.

I urge the members to continually patronage your diverse products and services and be actively involved in all Sacco activities as you usher in the new dispensation.

With these remarks, Ladies and Gentlemen, it is now my pleasure, to officially re-launch Mombasa Port Sacco as a National Sacco with a new brand name as “**Ports Sacco**” and wish you the best as you embark on this new journey of establishing your presence across the country.