

THE CABINET SECRETARY MINISTRY OF INDUSTRY, TRADE AND COOPERATIVES,
THE PRINCIPAL SECRETARY STATE DEPARTMENT OF TRADE, GOVERNMENT
OFFICIALS, DISTINGUISHED GUESTS, LADIES and GENTLEMEN.

GOOD MORNING.

Today is indeed a significant day for the country's retail industry as key stakeholders come together, voluntarily, to append their signatures on documents that have been months in the making.

The Regulations of the Retail Sector and the Joint Code of Practice are being operationalized at a time when the retail sector has come under pressure, necessitating a **proactive intervention** by all concerned parties, **including the Ministry of Industry, Trade and Cooperatives**.

The retail industry is one of the key sectors of our economy. Not only does it support tens of thousands of Kenyan families by offering employment, but it also supports one of the pillars of the Government's Big 4 Agenda – **Manufacturing**.

Ladies and Gentlemen, the Competition Authority of Kenya (CAK) exists to ensure that commercial enterprises engage in fair trade practices among themselves, with stakeholders such as suppliers, **all to the ultimate benefit of the consumer**.

It is with this in mind that the Authority has been a more than willing participant in the Technical Committee on the Development of the Regulations and Code of Practice for the Retail Sector in Kenya.

Soft enforcement, like we are witnessing today, is commendable. After months of brainstorming and rewriting, deleting and adding clauses, we have together delivered documents that have the **buy-in of all stakeholders**.

However, developing guidelines is one thing. **Adhering to them is quite another**. The onus of executing these guiding principles majorly lies with the retailers and suppliers who are well represented here today.

Indeed, it is important to note that compliance with the Code does not exclude any person from, or restrict the application of, the Competition Act No.12 of 2010.

Ladies and Gentlemen, following amendments of the Act to accommodate emerging concerns in the economy, the Government recently created a Buyer Power Department within the Authority.

The new Department will address concerns about businesses **abusing their influence over suppliers**.

The amendments to the Act allow the Authority to investigate such abuse, with the punishment for infringing the law being **imprisonment for a term not exceeding 5 years, a maximum fine of Ksh10 million, or both, for criminal prosecutions**.

The Authority may also impose an **administrative penalty of up to 10% of the preceding year's turnover of the undertaking(s)** in question or issue cease and desist orders to remedy the infringement.

The Authority has already **recruited** top management to head the Department.

Whereas these are the remedies prescribed by the law, the Authority is always keen to support the regulated to ensure that **alternative mechanisms** that can streamline market conduct, like what we are witnessing today, are explored.

It the Authority's belief that the Regulations and Code of Practice will help cure some of the problems facing the retail industry and set it on a **renewed growth trajectory**.

Thank you very much and God Bless.



Stellah Onyancha - Director Competition and Consumer Protection, Competition Authority of Kenya.