

# Robbed Blind

A SURVEY OF KENYAN  
CONSUMER VIEWS ON ILLICIT TRADE







**Illicit trade is now commonplace in Kenya, but hardly anyone realises its devastating cost**

## Executive summary

ILLICIT trade costs Kenya four times as much as most people believe and virtually no one realises that more than Sh400 million in tax revenue is lost daily through the sale of counterfeit or smuggled goods.

Yet all consumers say they have come across illicit goods on sale and more than four out of five think the government is not doing enough to tackle this menace.

These are the disturbing findings of a nationwide survey commissioned by Stop Crime Kenya (StoCK) and conducted by the Consumers Federation of Kenya (Cofek).

Kenya has the largest market in East Africa for fake goods and contraband, ranging from alcohol, electronics and pharmaceuticals to food, clothing and tobacco.

The Anti-Counterfeit Authority (ACA) states that **the country is losing more than Sh153 billion tax revenue annually to illicit trade**, which robs citizens of employment opportunities and deprives the state of funds for vital services.<sup>1</sup>

This survey of 200 adult consumers (106 male, 94 female) from nine counties reveals that:

- Only 3% of respondents knew that illicit trade robs the country of Sh419 million EVERY DAY
- An overwhelming majority (68%) thinks losses amount to just ONE-QUARTER of that sum
- 100% of respondents have witnessed illicit goods on sale
- Three out of four (77%) are most concerned about smuggled or counterfeit food
- More than four out of five (85%) believe the government is not doing enough to combat the problem
- One in four (23%) consumers would not be able to identify whether a product is counterfeit or smuggled

<sup>1</sup>: <https://www.aca.go.ke/media-center/news-and-events/247-national-baseline-survey-on-the-extent-of-counterfeit-and-other-forms-of-illicit-trade-in-kenya>

# Introduction

Kenya has the largest market in East Africa for counterfeit goods and contraband. The trade in illicit goods costs the nation more than Sh153 billion annually (Sh419 million daily) in lost tax revenue.

This survey was conducted to assess consumers' understanding of the scale and extent of illicit trade. Multiple-choice questions were posed telephonically to a representative sample of 200 adults from nine counties.



## About StoCK

Stop Crime Kenya (StoCK) is campaigning against the criminals who make a fortune smuggling and selling illicit goods. It has a Secretariat at the Consumers Federation of Kenya (Cofek).

Led by Stephen Mutoro, StoCK is working to raise awareness of how organised syndicates are looting the nation, and is seeking to ensure they are prosecuted and locked up behind bars once and for all.

Mr Mutoro is supported by Yusuf Abramjee, founder of Tax Justice South Africa and a vice-president of Crime Stoppers International.



**#StopCrimeKE**



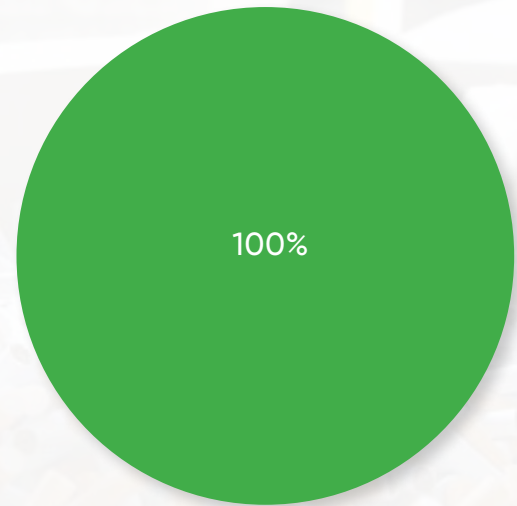
[www.stopcrimekenya.co.ke](http://www.stopcrimekenya.co.ke)

# A common crime, but deadly

## Q1

Have you ever witnessed (seen/heard/bought) illicit goods offered for sale?

● Yes ● No ● Unsure

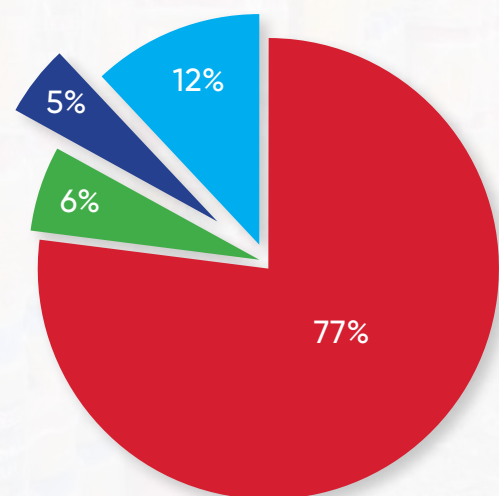


All respondents in all counties have come across illicit goods on sale, indicating the problem is endemic nationwide. Respondents were definitive in their answer, with no individuals saying they were unsure or hadn't seen illicit goods on sale.

## Q2

Which illicit goods would cause you most concern?

● Alcohol ● Food ● Pharmaceuticals ● Cigarettes ● Electronics



Consumers are most concerned about the dangers posed by counterfeit or smuggled food, indicating an awareness of the health risks associated with illicit trade. Pharmaceuticals and alcohol were the next most common categories of concern.

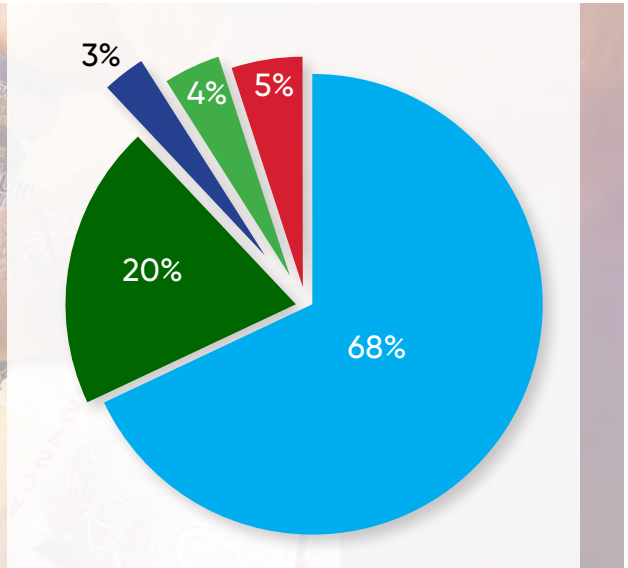


# The great trade robbery

## Q3

How much tax revenue is lost to illicit trade in Kenya every day?

● >Sh1m ● >Sh10m ● >Sh100m ● >Sh200m ● >Sh400m

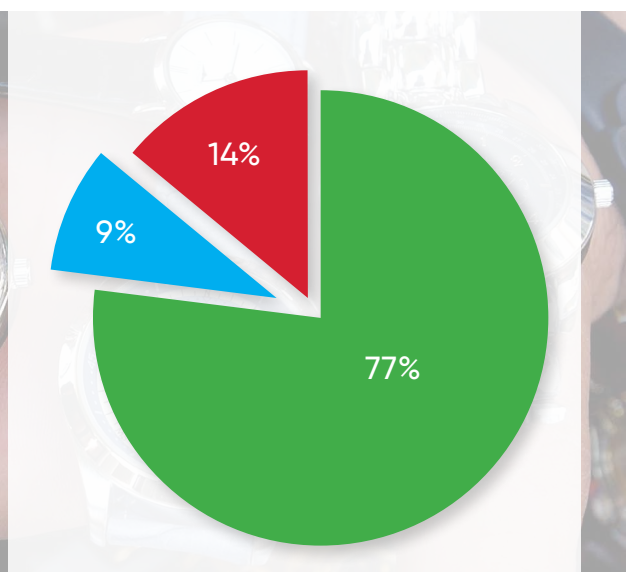


Only 3% of respondents realise that Kenya loses Sh419 million in tax revenue daily to illicit trade. An overwhelming majority (68%) believe the losses are just one-quarter of the actual figure. This is an indication that the full impact of illicit trade is not properly appreciated or understood.

## Q4

Could you identify a counterfeit or smuggled product?

● Yes ● No ● Unsure



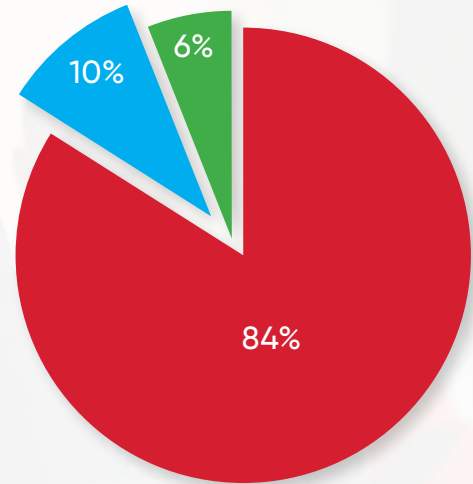
Worryingly, only three out of four (77%) consumers think they can identify illicit goods, highlighting the hidden dangers posed by illicit trade. One in four people are either unsure or unable to tell if a product is counterfeit or illicit.

# Lack of leadership

**Q5**

Do you think the Kenyan government is doing enough to combat illicit trade?

● Yes ● No ● Unsure

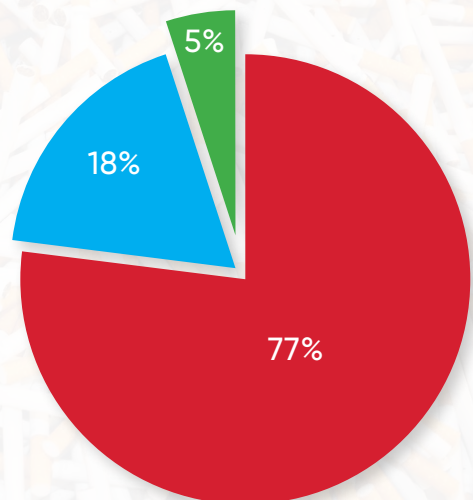


There is massive dissatisfaction with the Government's approach to illicit trade, with 84% saying the state is not doing enough. Just 6% of respondents believe that the Government is doing enough to stop illicit trade.

**Q6**

Do you know where you can buy illicit cigarettes and/or alcohol?

● Yes ● No ● Unsure

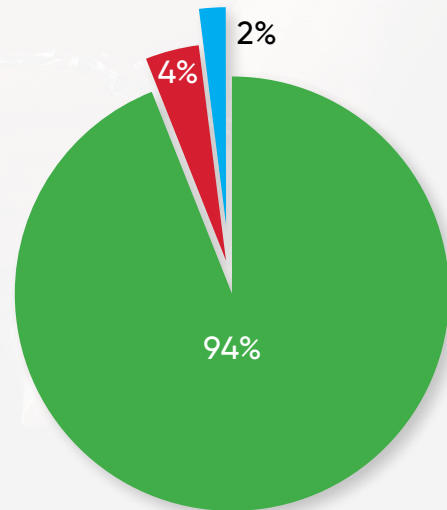
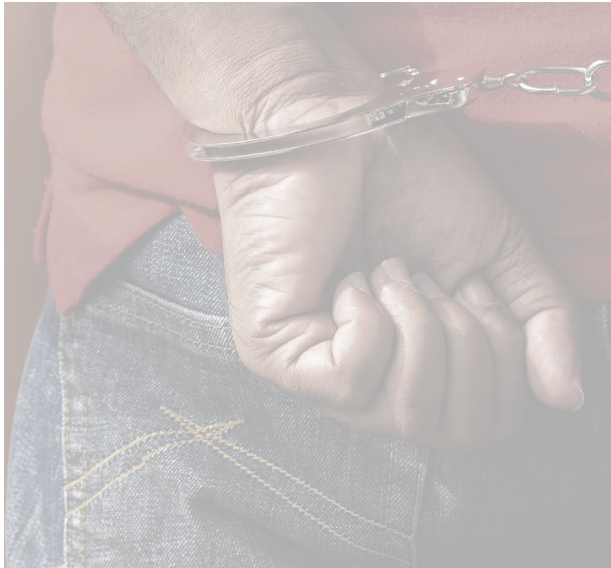


Encouragingly, results indicate most consumers are not actively seeking out alcohol and/or cigarettes on the black market. A small proportion are confident they know where to purchase illicit cigarettes and/or alcohol.

## Q7

Do you think you, as a citizen, have a role in fighting illicit trade?

● Yes ● No ● Unsure

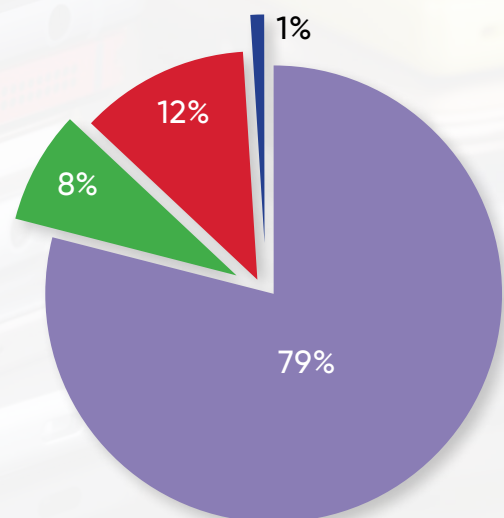


Almost all respondents (94%) believe citizens should take an active part in the fight against illicit trade. Only 4% believe that they do not have a role to play in fighting illicit trade with an even smaller proportion saying they were unsure (2%).

## Q8

What do you think is the solution to illicit trade?

● Stop corruption ● Public awareness  
● Technology ● Judicial process ● Religion ● All



Respondents identify public awareness and anti-corruption measures as the most important weapons to combat illicit trade. An overwhelming 79% of respondents believe that there is no one solution to Kenya's illicit trade problem and that a multifaceted approach is needed to combat the dark economy.



## Conclusion

Stephen Mutoro, chairman of StoCK, says: "The disturbing results of our survey show that the trade in counterfeit or smuggled goods has become all too familiar in Kenya, although the man on the street has no idea of its true, devastating cost. Consumers are calling for greater leadership in tackling this menace and say they are willing to join the fight against the criminals stealing our future.

"We hope that Government hears their call to action and realises that it must reinvigorate its war on illicit trade by reducing corruption, strengthening our borders and enforcing our trading laws."



## The data

Country	Male	Female	21-30yrs	31-40yrs	41-50yrs	50+yrs	Total
Nairobi	21	16	11	8	12	6	37
Mombasa	14	19	9	13	7	4	33
Kisumu	17	12	7	5	6	11	29
Nakuru	14	13	12	4	9	2	27
Kiambu	12	9	6	9	2	4	21
Nyeri	8	9	2	5	7	3	17
Uasin Gishu	7	6	4	6	1	2	13
Kajiado	5	7	0	5	6	1	12
Garissa	8	3	1	6	3	1	11
<b>TOTAL</b>	<b>106</b>	<b>94</b>	<b>52</b>	<b>61</b>	<b>53</b>	<b>34</b>	<b>200</b>