



## **StoCK WARNS AGAINST ECONOMIC SABOTAGE OF UNJUSTIFIED EXCISE HIKES**

NAIROBI, Friday 1 April, 2022 - UNNECESSARY excise hikes in the upcoming Budget would threaten Kenya's economic recovery from the COVID-19 pandemic, Stop Crime Kenya (StoCK) warns today.

"With Kenyans already struggling to cope with the soaring cost of living, any price rises risk driving even more consumers towards the illicit market, where lives are endangered, criminals are enriched and state coffers are deprived of vital revenue," StoCK chairman Stephen Mutoro said.

"Legitimate businesses trying to build back in the wake of the pandemic will be put under further pressure and livelihoods will be threatened just when families are seeking a return to stability and security.

"If the Government is serious about finding the money for sustainable economic growth, they should be cracking down on the illegal economy that loots our nation of Sh153 billion tax revenue every year."

Kenya's high excise rates in comparison with our neighbours have created a lucrative market for smugglers of contraband such as alcohol and cigarettes from countries like Uganda, where they can cost half the price.

"The Kenya Revenue Authority (KRA) recently announced that new technology at the Busia border has boosted annual revenue collection there from Sh400m to Sh4billion in less than three years," Mr Mutoro said.

"But this is just one initiative filling just a fraction of the fiscal black hole carved out by illicit trade. We need a concerted campaign rolled out across the country to properly tackle the scourge of smuggled, counterfeit and other tax-evading goods, which are unregulated and often substandard and pose a grave threat to lives and livelihoods.

"Criminals involved in illicit trade don't pay taxes and aren't about to start doing so. Another round of excise increases – less than five months after the last – will simply boost their profit margins. It would be economic sabotage that delivers another big payday for the smugglers, and a kick in the teeth for hard-working consumers trying to build a better life."

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