



ALCOHOL PRODUCTION METERS ARE ‘WELCOME FIRST STEP’ IN FIGHT AGAINST ILLICIT TRADE

NAIROBI, Monday, 14 March, 2022 - STOP Crime Kenya (StoCK) today welcomes the taxman’s move to install production counter devices in every alcohol factory and calls for similar initiatives to be enforced on producers of all excisable goods.

The Kenya Revenue Authority (KRA) hopes mandatory flow meters and CCTV cameras at alcohol factories will help to curb illicit trade.

StoCK chairman Stephen Mutoro said: “This proactive step by the KRA is welcome acknowledgment of the huge scale of tax evasion facilitated by illicit trade.

“But if authorities are serious about curbing this menace and increasing revenue collection, they must target all sectors manufacturing excisable products, from bottled water to juices and cigarettes.

“Kenya is being flooded with tax-evading goods that deprive the fiscus of Sh153 billion tax revenue annually. Now more than ever, it’s money our nation cannot afford to lose as we try to rebuild an economy that’s been devastated by the pandemic.”

KRA says metering devices - first proposed for spirits such whisky, brandy and gin in 2011 - will be compulsory for the entire alcohol industry as part of an “aggressive” strategy to capture real-time information in the fight against tax cheats.

The technology is expected to complement the existing Excisable Goods Management System (EGMS) that requires tracking stamps on excisable goods along the supply chain to account for payment of taxes.

However, the effectiveness of EGMS is in question following several seizures of counterfeit stamps in recent months. And on Friday, StoCK released the [results of a survey](#) that found three out of four consumers cannot properly identify a genuine stamp.

Mr Mutoro said: “If consumers don’t know what the stamps are, don’t think they work and don’t bother to check for them, then they are simply not fit for purpose.

“The KRA needs to properly identify and eliminate the weaknesses being exploited by criminals operating in illicit trade. Production counters at all alcohol factories is a step in the right direction, but a comprehensive enforcement campaign across all sectors has become an economic necessity for our nation.”

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