



**anti
counterfeit
agency**

educate, enforce, eliminate



THE ANTI-COUNTERFEIT NEWSLETTER

Fifth Edition-March 2018



CABINET SECRETARY ON INSPECTION TOUR OF MOMBASA PORT IN WHICH FIVE CONTAINERS WITH GOODS WORTH KSH 100 MILLION WERE SEIZED

The Cabinet Secretary Industry, Trade & Cooperatives. Hon. Adan Mohamed made an impromptu

inspection tour of the Mombasa port following a sting operation led by Anti-Counterfeit Inspectors

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Editorial Team

Tom Muteti
Dr. John Akoten(PhD)

FOREWORD FROM THE EXECUTIVE DIRECTOR



“Through your support and efforts to the Agency we have made great strides in the war against counterfeits”

We welcome you to our 5th (Fifth) edition of the Anti-Counterfeit Newsletter.

First, we are very pleased to announce the progress made in the last half of 2017. We are right on track as far as the implementation of our Strategic Plan for 2017-2022 is concerned. The proof of the pudding is in the eating. For this, we showcase our certification for ISO 9001: 2015. Having the certification is a big recognition of our commitment towards quality services under Quality Management System based on ISO 9001: 2015.

Secondly, we have made great strides in working with our partners. During the reporting period, we made a commitment in our corporate strategy to work better with our partners and we have come some way in achieving this as far as enforcement and public awareness is concerned. This is well captured in this edition. However, there is more to do, we need to develop our relationships with the whole range of stakeholders including county governments, consumers, professional associations and many more.

Going forward, the Agency is placed with a critical responsibility in delivery of the Presidential Directive on achievement of the

Big 4 National Policy pillars for economic development. The focus areas of attaining food security, affordable housing, manufacturing and affordable healthcare are all anchored on our mandate that is pro-manufacturing and pro-enterprise. We have a role to play in all the four pillars. In accordance with this government policy, we shall refocus our energy towards achieving these goals at an extraordinary scale.

Finally, we wish to express our sincere gratitude again to everyone in partnering with the agency in the past year. Through your support and efforts to the Agency we have made great strides in the war against counterfeits. Personally, I can only say that I am very proud to be part of the group of Kenyans striving to make Kenya a counterfeit-free nation.

As ever before, ACA values its readers' responses. If you have any ideas how we might improve this newsletter or would like to contribute or give more general feedback, do get in touch by writing to info@aca.go.ke. You may also contribute through our Twitter and Facebook handles @ACAKenya. Thank you and enjoy your reading.

Elema Halake SS
EXECUTIVE DIRECTOR

AWARENESS PROGRAMS

No	Strategy / activities	Achievements (Jul 2017 – March 2018)	Way forward (immediate short term)
Stakeholders' Capacity Building through sensitization and training programs			
1	Border stakeholders' sensitization and enforcement program - Namanga Chapter	<ul style="list-style-type: none"> 200 people reached through 2 sensitization forums Enforcement inspections conducted at the OSBP 2 outreach through IEC materials displayed, public announcements 	<ul style="list-style-type: none"> April 2018 Busia – Malaba Chapter Lunga – Lunga & Taita Taveta Chapters funds allowing
Programs to enhance awareness and Public outreach			
2	Nairobi County Sensitization on Illicit Alcoholic Drinks	<ul style="list-style-type: none"> Over 1000 people reached in 8 forums 8 sub-counties sensitized 	2 sub counties to be covered by end of March 2018
3	Participation in Trade fairs, exhibitions and other open fora	Thousands reached through ASK Shows, Manufacturing Expo, National Trade week and Destruction of counterfeits events	World Consumer Day & World Intellectual Property Day
Stakeholders Collaborations			
4	Collaborate with relevant stakeholders in creating awareness	<ul style="list-style-type: none"> Both government agencies & private sector involved in EPA programs MOUs in place and being implemented – e.g. KAM, CIM, Unilever, KRA, KIPi 	Implement existing MOUs Establish new linkages
5	Policy documents developed towards programs implementation 2017/18		
	<ul style="list-style-type: none"> Education & Public Awareness Manual Stakeholders' Anti-Counterfeiting Training Curriculum Stakeholders Engagement Framework 		

Collaboration with the State Department of Trade during the Trade Week in July 2017

The Agency collaborated with the State Department of Trade by participating in the Kenya Trade week.

showcase our role in the actualization of the national trade policy with regard to counterfeit matters.

This was an opportunity to strengthen our relationship with policy makers and the private sector to

The event coincided with the launch of the National Trade Policy that brought together prominent

players and stakeholders in the trade sector under the theme: "Transforming Kenya into a Competitive Export-Led and Efficient Economy".

During the event attended by high level government officials and industry practitioners and opened by the National Treasury Cabinet Secretary, Henry

Rotich, who was speaking on behalf of H.E. President Uhuru Kenyatta, Hon. Rotich said "The new Trade Policy articulates provisions that are geared toward promoting efficiency in the growth of domestic trade through transformational measures that address the constraints impeding against the development of the wholesale, retail and informal sectors".



A visit at our stand; From left Dr. Chris Kiptoo, the PS State department of trade, The CS Industry, Trade & Cooperatives. Hon. Adan Mohamed, National Treasury Cabinet Secretary, Henry Rotich and facing the delegates is the Executive Director ACA Mr. Elema Halake at the extreme end.

The 1st Annual Africa's Conference of Social Entrepreneurship at Tangaza University College, 22nd -23rd September 2017

The Agency participated in the Tangaza University College international conference on social entrepreneurship which was organized as part of its planned activities under the Support for Social Enterprises in Eastern Africa project and successfully held from 22 to 23 September 2017 in Kenya.

Attended by over five hundred participants, the two day event whose theme was 'Social Enterprise: Engine of Africa Socio-Economic Transformation' was an eye-opener to students and business owners to share information on disruptive innovations and the social enterprises ecosystem.



Participants tours our stand at the Tangaza University College

On the opening day, the Vice Chancellor Prof. Fr. Stephen Mbugua said the spirit of enterprise is growing rapidly in Kenya and innovations had to be safeguarded. He encouraged more and more groups to support this spirit and bring about social transformation among the poor of society. Entrepreneurship is the new buzzword in Kenya as such unscrupulous business persons are replicating genuine products in the market and passing them off as their products thus negatively impacting on the society.

The 2nd Kenya Manufacturing Summit & Expo 2017 by KAM

The Agency participated in the Kenya Association of Manufacturers (KAM) manufacturing EXPO 2017.

Organized in partnership with the Ministry of Trade, Industry and Cooperatives (MITC) the event was held on 23rd – 25th November 2017 at Kenyatta International Convention Centre (KICC), Nairobi under the theme "Driving Local

Competitiveness to Make Kenya a Manufacturing Hub for Africa" with the aim to promote innovation and linkages in the spirit of 'Buy Kenya Build Kenya'. It was a meeting of Kenyan manufacturers and stakeholders aimed at enhancing Kenya's commitment to the industrialization process and improve engagement with all arms of Government and stakeholders in the manufacturing and business sectors.

Nairobi IPR Owners Breakfast Forum, 29th November 2017

The Nairobi IPR owners breakfast forum brought together local and foreign manufacturers and government enforcement agencies to consider how best to respond to the growing problem of counterfeiting in the country.

At ACA, we are working hard to identify, disrupt and dismantle the crime networks behind counterfeit crime. However, the problem of illegal networks cannot be solved by law enforcement alone.

A robust and multi-pronged response is needed involving all stakeholders from the public and private sector. This is even more important given that the rapidly-evolving digital world presents a range of new



The Manager Education and Public Awareness Mrs Agnes Karing'u during the forum.

challenges for enforcement officers tackling this type of economic crime”, said Pradeep Paurana, the Chairman of the Anti-Counterfeit Agency Board. “This conference offers the perfect opportunity to further develop synergies between all involved stakeholders

and enhance our collective effort to tackle this crime”. The interactive forum appraised participants on the Agency’s progress in combatting counterfeiting whilst sharing best practices and considering new approaches to protecting consumers and businesses.

“

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Mr. Pradeep Paurana, the Chairman of ACA Board addresses A section of the participants in the highly interactive IPR forum held in Nairobi.

Agency in the process of implementing TOT’S Program

The Agency is in the process of launching Training of Trainers (TOT) program for national and county government officers.

The objective of the program is to create a critical mass of trainers in the country who have basic knowledge on IP who can assist in training other officers in their jurisdiction.

Such IP training, to be provided by the persons trained in the program, would include advice or technical

assistance on how to enforce, prosecute, identify, protect, exploit and manage Intellectual Property issues.

The participants will undergo comprehensive training covering IP rights, their infringement and enforcement, as well as other relevant material and information. The targeted officers will include the police, county trade and inspectorate officers, customs officers, prosecutors, members of the judiciary and any other public authority enforcing IP rights and designated as inspectors under the Anti-Counterfeit Act.

CORPORATE NEWS



A section of the Counterfeit goods depot



(From left) The Deputy Director Enforcement and legal services Mr. Johnson Adera, the CS Hon. Adan Mohammed, PS Trade, Dr. Chris Kiptoo, The Executive Director of ACA, Mr. Elema Halake and the Chairman of the Anti-counterfeit Agency Board, Mr. Pradeep Paurana during the inspect



A section of the Counterfeit goods depot



CS Adan Mohamed addressing the media after the tour

“YOU WILL BE DEPORTED” CABINET SECRETARY WARNS TRADERS DURING COUNTERFEIT GOODS DEPOT INSPECTION TOUR

21st December 2017 Nairobi

The Cabinet Secretary for Industry, Trade & Cooperatives Hon. Adan Mohamed spend the whole afternoon at the Anti-Counterfeit Agency goods depot in Wall Street, Kiang’ombe Nairobi in an inspection tour and directed staff of the agency to work towards their mandate of making Kenya a counterfeit free nation.

During the tour, the CS who was accompanied by the Principal Secretary, State Department of Trade, Dr. Chris Kiptoo and the Chairman of the Board of the Anti-counterfeit Agency, Mr. Pradeep Paurana, among other delegates said the government is committed

under the Big 4 agenda to boost the manufacturing sector by fighting trade in counterfeit goods.

The CS directed that containers arriving at the Port of Mombasa will now be subjected to random inspection by the agency in addition to increased vigilance along border points. He warned that ‘foreign traders found dealing in counterfeits will face stiffer penalties including deportation’.

He called out for harsher penalties for those caught smuggling illegal products into the country.

A visit Deepening presence to Northern Kenya Town Of Garissa

In a move to towards enhanced inter-agency collaboration in the war against counterfeits in the country, the Anti-Counterfeit Agency Executive Director, Mr. Elema Halake together with Mr. Lindsay Kipkemoi, the Manager Enforcement services, made a maiden courtesy visit to the northern Kenya town of Garissa. During the inspection tour, they visited the Kenya Bureau Standards and Kenya Revenue Authority offices in the town. The two government agencies are involved in enforcement of IPR Rights.

Mr. Halake emphasized the need for strengthening collaboration between the various government agencies in enforcement activities like intelligence sharing, joint raids and creation of public awareness.

BOLDENING INTER-AGENCY COLLABORATION AND STAKEHOLDER PARTNERSHIP.

We are deepening our partnership to new dialogues!



Inspection of counterfeit goods seized in the region



Mr. Elema Halake receives a shield of honour from Kenya Revenue Authority staff during his visit to Garissa.

Partnership during KIPPRA Roundtable

The Agency in the spirit of inter-agency collaboration participated in a Kenya Institute of Public Policy Research And Analysis symposium dubbed 'Towards



Effective Regulation of Kenya's Wholesale and Retail Trade Sector'.

The platform provided an ideal forum for exchange of ideas on how to strengthen institutional

and regulatory framework for the wholesale and retail sector as well as an opportunity to make suggestions on how to assist policymakers, researchers, regulators, actors and all other stakeholders to access the performance of the sector. The event was also attended by the Retail Trade Association

of Kenya (RETRAK), Export Promotion Council, Kenya Association of Manufacturers (KAM), Kenya National Chamber of Commerce and Industry (KNCCI), Nairobi County, Kenya Union of Commercial, Food and Allied Workers (KUCFAW), among other organizations.



Courtesy Call to East African Cables Ltd

Towards the end of the year 2017, the Anti-Counterfeit Agency Executive Director, Mr. Elema Halake, paid a courtesy call on management of the East African Cables Ltd as part of efforts to strengthen the stakeholder relationship between the Agency and the electrical

already existing mutually beneficial relationship between ACA and the EA Cables, and secondly to call for more support from the industry in terms of incorporation of IT towards fighting trade in counterfeits". The Agency, he said, is a state institution focused on protecting

The Acting Chief Executive Officer of East Africa Cables Ltd Mr. Paul Muigai who welcomed the team, assured Mr. Halake of continuous support towards counterfeit eradication. "This visit re-energizes the already cordial relationship, and builds on the

"This visit re-energizes the already cordial relationship, and builds on the sustained relationship between us and the Agency. We look forward to a renewed relationship since we have experienced a lot of challenges from counterfeits"

cable manufacturing company.

Mr. Halake who was accompanied on the visit by senior members of the ACA management said that: "This visit is firstly to cement the

the rights of manufacturers hence a key enabler to the country's socio-economic growth. The vision of the Agency, he said, is a strong focus on making Kenya a counterfeit free country.

sustained relationship between us and the Agency. We look forward to a renewed relationship since we have experienced a lot of challenges from counterfeits". Mr. Muigai also touched on

recent developments in the East African Cables including the fact that the Company has put in place short messaging system based initiative (Zinduka Anti-counterfeit campaigns).

Courtesy call to European Union, Nairobi



The ACA Executive Director Mr. Elema Halake during a courtesy call to EU offices. He met the team lead by EU Kenya Trade Adviser Mr. Alessandro Tonoli

The objective of the visit was part of the Agency's strategy towards international collaboration in the war against counterfeits.

It was a good opportunity to discuss possible areas of cooperation between the Union and the Agency. The EU Kenya Trade Adviser Mr. Alessandro Tonoli was accompanied by the EU Kenya

Policy officer Ms Christine Ndwiga. Mr. Tonoli said that Kenya and EU had similar challenges posed by trade in counterfeits.

He lamented that intellectual property infringement was a particular scourge on European industry and hampers investment and employment in industries reliant on creativity and innovation.

According to the European Union Intellectual Property Office (EUIPO) and the OECD, trade in counterfeit and pirated products amount to around €338 billion worldwide.

The European Union is particularly affected, with counterfeit and pirated products amounting up to around 5% of all imports or as much as €85 billion a year.



Courtesy Call To UNIDO Kenya

The Executive Director Helema Halake led a team of senior officers from the agency on a courtesy call to UNIDO Representative to Kenya, Eritrea and South Sudan, Mr. E. Kalenzi. The aim was to find out ways for possible strategic partnerships and support in key operational areas of research, awareness and enforcement. The UNIDO team expressed appreciation for the commitment of

the Agency in the fight against counterfeits and welcomed our interest in their services. Mr. Kalenzi promised to consider the agency's proposals and reconfirmed UNIDO's mission to promote inclusive sustainable industrial development in the region. He said that this mission of industrial development cannot be met if we let trade in counterfeits to flourish in the country.

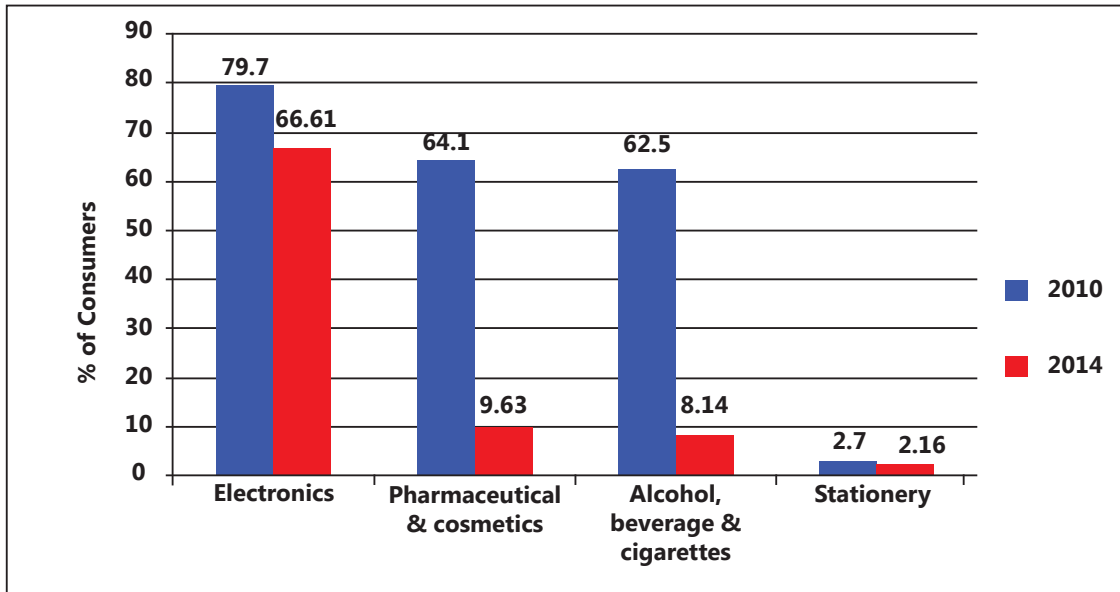


Mr. E. Kalenzi the UNIDO representative together with Mr. Elema Halake from the Anti-counterfeit Agency and their respective delegates in a courtesy call meeting at the UN Offices in Nairobi.

The aim was to find out ways for possible strategic partnerships and support in key operational areas of research, awareness and enforcement

RESEARCH

Most Counterfeited Goods – Consumers Perspective



AGENCY WARNS ON RISE IN ON-LINE COUNTERFEITING

In response to the increasingly effective and coordinated efforts in the dismantling of traditional counterfeit distribution networks, criminals are now resorting to more innovative ways of selling their counterfeits. This can be found particularly in relation to the open internet trade platforms. Consumers can purchase products from all over the world and have them delivered straight to their doors with just the click of a button.

A market intelligence survey based on more than 500 interviews, conducted in Nairobi and Mombasa cities in Kenya revealed a correlation between the increase in online shopping and the increasing sales of counterfeit goods, with 30% of consumers polled having purchased counterfeit merchandise unintentionally.

75% of the respondents acknowledged having an understanding of what online purchasing was while 24.3% did not. Out of the total interviewees 65.3% have ever purchased products online while 34.7% have

never. Among the individuals who purchase products online majority are aged between 25-34 years (54%) and mainly purchase electronics due to convenience.

The majority of those polled had a strong stance against buying counterfeit goods, but bought due to convenience, cheaper cost and delivery options. They were wary of buying counterfeit goods online but indifferent due to the little repercussions they may get when buying counterfeit goods.

With the level of sophistication that counterfeiters are using in their web sites, it is becoming increasingly harder for customers to determine if products are genuine. They are also not aware of the legal issues concerning trade in counterfeit goods.

The report recommends for review of the Anti-Counterfeit Act to make it responsive to online counterfeiting and empowerment of consumers through increased awareness on the dangers of counterfeits especially those

bought online. In response to the study findings, the Agency has embarked on online anti-counterfeit strategy with staff dedicated to identification of fake websites. The team drawn from the enforcement function will be involved in identification of offending websites and assist the Cybercrime Investigation Unit of the Kenya Police in suspending domains that will be found illegally selling counterfeit merchandise to unsuspecting consumers.

The most popular counterfeit products sold on-line include electrical goods at 50% followed by clothing's, cosmetics, stationery, food product, cigarettes and alcoholic beverages, in that order.

The report cautioned that as more and more Kenyans open their doors to receive small parcels from on-line sources, their doors also open to an increasing number of dangerous counterfeit goods. There is need to work together to find solutions because when it comes to counterfeits, what we do not know can certainly hurt us.

ENFORCEMENT NEWS

SNAP SHOT

Number of IPR complaints, cases investigated and prosecuted

a) IPR Complaints Received

Financial Year	IPR Complaints Received
FY 2013/2014	162
FY 2014/2015	205
FY 2015/2016	185
FY 2016/2017	252
FY 2017/2018(As at Quarter 2)	82
Total	785

b) Cases Investigated

Financial Year	Cases Investigated
FY 2013/2014	159
FY 2014/2015	90
FY 2015/2016	148
FY 2016/2017	234
FY 2017/2018(As at Quarter 2)	90
Total	721

c) Cases in Court/Prosecuted

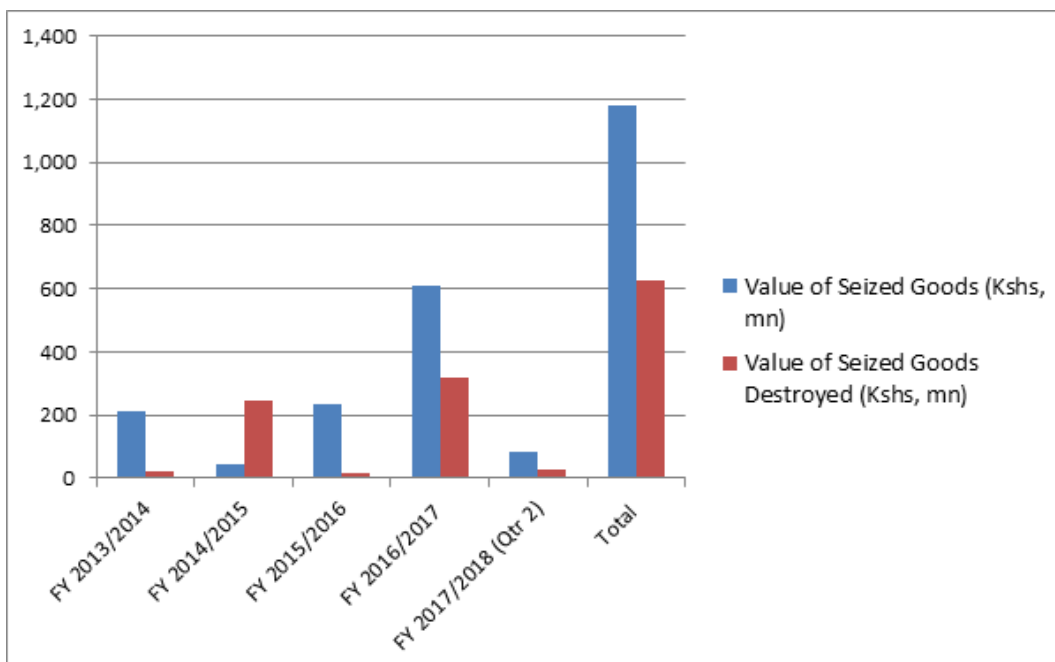
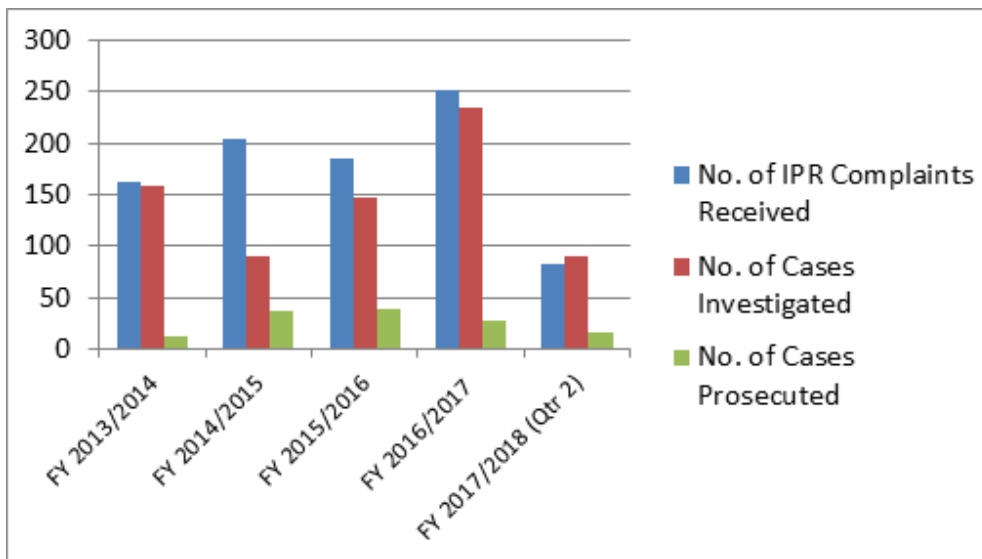
Financial Year	Cases Prosecuted
FY 2013/2014	12
FY 2014/2015	37
FY 2015/2016	39
FY 2016/2017	27
FY 2017/2018(As at Quarter 2)	16
Total	131

d) Value of Seized Goods

Financial Year	Value of Seized Goods
FY 2013/2014	Kshs. 210,682,971.00
FY 2014/2015	Kshs. 44,077,359.00
FY 2015/2016	Kshs. 235,035,826.00
FY 2016/2017	Kshs. 610,099,251.00
FY 2017/2018(As at Quarter 2)	Kshs. 81,890,868.00
Total	Kshs. 1,181,786,275

e) Value of Seized Goods Destroyed

Financial Year	Value of Seized Goods Destroyed
FY 2013/2014	Kshs. 21,682,971.00
FY 2014/2015	Kshs. 245,022,958.50
FY 2015/2016	Kshs. 12,988,594.75
FY 2016/2017	Kshs. 320,357,049.25
FY 2017/2018(As at Quarter 2)	Kshs. 24,555,498.00
Total	Kshs. 624,607,071.50



FROM THE COURTS

Nakuru Court Finds Counterfeit Egg Incubator Trader Guilty

A man was found guilty by the Nakuru Magistrates' Court for selling counterfeit Egg Incubators and ordered to pay a total of Kshs 768,000 in fines and costs, after being found in possession in the course of trade of 16 counterfeit egg incubators and accessories contrary to provisions of the Anti-Counterfeit Act, 2008. The goods worth Kshs 256,000 were seized from his house in Section 58 Nakuru town in the year 2012.

The case appearing before the Chief Magistrates Court in Nakuru, Senior Resident Magistrate Mr. J.N Nthuku found Mr. Kennedy Osoro Nyoka guilty of infringing trademark rights of PetriShah General Supplies registered as trademark J45-60 class 7 No 71117.

The case that had been in court for the last five years proceeded to full hearing after the accused had initially denied the charges.

The prosecution brought by Mr. Osman Yusuf of the Anti-Counterfeit Agency proved to the court beyond reasonable doubt that Mr. Osoro was indeed selling counterfeit goods to unknowing customers.

The owner of the trademark told the court that he had received numerous customer complaints of failing quality and standards of his brand. Upon a test purchase, he found out that the products in question were not genuine but imitations originally made in China but passed off as genuine product

from his business to customers in the country. He reported the matter to the Anti-Counterfeit Agency who did a raid at his shop in Nakuru. Upon verification on authenticity, the seized goods were found to be counterfeits.

Mr. Thomas Odek, the Investigations Inspector handling the matter, said: "Counterfeit egg incubators pose unfair competition for legitimate businesses and are usually of poor quality. They rarely go through quality checking procedures and lead to farmer losses. We will continue to take action against traders who sell counterfeit goods in the country."

The Magistrate ordered that the counterfeit goods be destroyed.

Cabinet Secretary On Inspection Tour Of Mombasa Port in which Five Containers With Goods Worth Ksh 100 Million were Seized

Story continued from cover page

in January this year. The operation nabbed counterfeit goods worth Sh100 million is a testimony of our renewed war on counterfeits.

The goods in five 40-foot containers contained sugar, shoes and tobacco goods bearing trademarks of leading brands in the country. The goods are held "in situ" at the custom bonded warehouses at the port of Mombasa and at a go-down in Changamwe area of Mombasa town.

The impounded sugar is worth Sh30 million, shoes (Sh40 million), electronic cables (Sh9 million) and

tobacco (Sh20 million). The 500 tonnes of seized sugar allegedly bears the name Kakira Sugar from Uganda. The counterfeit tobacco, imported from South Africa under the brand name Bringi Filter, is at the KPA customs warehouse in two 20-foot containers. The impounded shoes are branded "Simberland", seemingly to pass off as Timberland. The Operation was led by the Coast Regional Inspector Mr. Ibrahim Bulle and involved other government agencies at the port of Mombasa.

The Cabinet Secretary reiterated the Government agenda to grow the manufacturing sector

saying counterfeiters have no room in this country. He said the government would also reinforce various other entry points. "We will work with all authorities to make sure we open containers on a random basis, although there will be some inconvenience initially. I appeal to port users who have been used to faster clearance to understand," he said. The CS had earlier met stakeholders, port operators and representatives from East African Community countries — Uganda, Burundi, Rwanda and Tanzania in their weekly meetings at the Kenya Ports Authority headquarters.



The Fight against Counterfeiting is a Must Win Battle!



By Mr. Pradeep Paurana,
Chairman of the Anti-Counterfeit Agency Board

Kenya's manufacturing sector has had its own share of the wrath of counterfeits. The Standards and Regulatory Committee of the Kenya Association of Manufacturers (KAM) estimates that counterfeit and substandard products cost the East African region over US\$500 million in lost government tax revenue annually.

1. Presidential decree

The Anti-Counterfeit Agency and the manufacturing sector welcomes the executive order from President Uhuru Kenyatta during this year's Jamhuri Day address to the nation. He made it clear that the growth

of the manufacturing sector is the first pillar among the 'Big Four' of creating employment.

The executive order to investigate infringements on intellectual

property rights and destroy counterfeits on sight is a pro-growth order since counterfeits are a major impediment to the growth of the manufacturing sector.

2. Scope of trade in counterfeits

Counterfeiting is a global supply chain problem. Counterfeiting and piracy are highly pervasive across countries and sectors, representing a multi-billion-dollar industry globally that continues to grow. The Organization for Economic Cooperation and Development (OECD), estimate that the value of international and domestic trade of counterfeit and pirated goods range between US\$923 Billion – 1.13 Trillion in 2013 and

is expected to grow to between US\$1.90 - \$2.81 Billion come the year 2022. This represents between 5% and 7% of the world trade. This is a very conservative estimation, since it did not include pirated digital products.

Kenya's manufacturing sector has had its own share of the wrath of counterfeits. The Standards and Regulatory Committee of the Kenya Association of

Manufacturers (KAM) estimates that counterfeit and substandard products cost the East African region over US\$500 million in lost government tax revenue annually. Tanzania is estimated to lose about US\$ 1.5 billion in revenue to counterfeits. Other statistics going by conservative estimation from the KAM study on counterfeits conducted in 2012 indicate 40% of their sales are lost annually as a result of trade

in counterfeits. Again in Kenya, the Information Technology (IT) industry is estimated to deliver US\$20 million in tax revenues between 2008 and 2011.

During the period, if Kenya's 80% software piracy rate were reduced by 10%, the multiplier effect would have generated over 1,100 additional jobs, US\$12 million more in tax revenues and US\$163

million spending in the local IT sector over the four years. On the other hand, the Anti-Counterfeit Agency estimates that about 1 in 5 products sold in major towns in Kenya are counterfeit. From the several depots of the Anti-Counterfeit Agency, you will find a wide array of counterfeited goods. They include food and beverages, tobacco products, LPG and petroleum products, computer

components and software, designer clothes and shoes, mobile phones and radio sets, motor vehicle parts, shoe polish, cosmetics and medicines, dry cells, soaps and detergents, and bulbs. Counterfeited medicines and cigarettes are among some of the prized products that pass through Kenya into the regional markets with some spilling over to local consumers.

3. The case for protecting Innovation and manufacturing globally

With counterfeiting being carried out on a global scale, Kenya and many other developing countries remain major markets.

The way forward is for developing economies to use all means and approaches possible to promote and protect innovation and manufacturing. Economists have recognized for decades that the

most important determinants of long-term economic growth are innovation and adoption of new technologies. These, in turn, are known to spur the competitiveness of the manufacturing sector which is crucial for wealth and employment creation.

To be competitive, policymakers should strongly encourage the

protection and enforcement of intellectual property. In the words of H.E President Kenyatta, this is "the bedrock on which we will achieve a robust manufacturing sector". It is the most appropriate permanent framework for a competitive economy since economic prosperity and intellectual property rights are inextricably linked.

4. Impacts of trade in counterfeits

According to the United Nations, about 46 per cent of Kenya's 47 million people live in poverty and this is the group targeted by the distributors of counterfeit products who price them to fit into the pockets of the poor.

Other than the loss in trade values attributed to counterfeiting internationally, there is unquantifiable loss of brand value due to unmet consumer expectations, which border on quality, efficiency and importantly health and safety concerns. In addition, there are overwhelming social impacts like crime, terrorism, money laundering, human trafficking, and loss of

employment. The economic effects to the owner of the intellectual property threaten a profitable legitimate industry as they affect the business' bottom line.

The World Health Organization (WHO) estimates that counterfeit drugs with wrong ingredients, incorrect amounts of the proper ingredients, or no active ingredients whatsoever account for 10 per cent of all pharmaceutical products sold in the world, and up to 60 per cent of all drugs sold in the developing countries. The serious risks of counterfeit medicines to public health and safety have often resulted in accidents and death in some instances.

46%

of Kenya's 47 million people live in poverty and this is the group targeted by the distributors of counterfeit products who price them to fit into the pockets of the poor

5. Agency Preparedness

No single entity can effectively enforce anti-counterfeiting measures within and across national boundaries or the entire continuum of a global supply chain. Subsequently, the Agency has put in place the following strategies:-

- Intelligence-led inspections. The Agency has put in place an intelligence-sharing infrastructure to curb the influx of counterfeit goods through the ports of entry.
- Cross-collaboration among regulatory agencies and across the borders. This entails collaborations among

law enforcement agencies locally, and internationally such as Interpol in joint enforcement operations within the country and across geographical regions. Business organizations like the Kenya Association of Manufacturers (KAM) and the Business Action to Stop Counterfeiting and Piracy (BASCAP) at the global level are equally important.

- E-commerce monitoring. We have moved to strengthen oversight of online sales of counterfeits. We encourage consumers to report online

counterfeiting and monitor the internet and make it easier for the public to alert the agency of any illegal activity.

- Private-sector collaborations. The Agency has partnered with the private-sector in pooling resources towards developing effective public-private partnerships to combat global counterfeiting.
- Change of mindset. The Agency has put in place a robust public outreach and training programs towards addressing the demand for counterfeit goods through a change of

The Agency has put in place a robust public outreach and training programs towards addressing the demand for counterfeit goods through a change of attitude for consumers and other stakeholders

attitude for consumers and other stakeholders. This is complemented by research and market intelligence to inform policy and decision making.

- Harmonization of regional laws and policy on counterfeiting. The Agency has participated actively in advocating for regional harmonization of the intellectual property regime in the East African Region.
- According to a report

by the World Bank titled "Benchmarking Public Procurement, 2016" developing country governments spend an estimated USD 820 billion a year, or 50% of their budgets on procuring goods and services. Considering the influx of counterfeits in the market, the government being the largest consumer is vulnerable to acts of counterfeiting. This may have serious economic,

security, safety and health implications. We are in the process of incorporating the provisions of the Anti-Counterfeit Act, 2008 in public procurement and disposal laws and pursue its implementation by way of mainstreaming through national performance contracting to all government institutions to curb counterfeiting within their jurisdictions.

6. Conclusion

Although the Agency has made a lot of progress to curb trade in counterfeits, a lot more still ought to be done to win the fight against all forms of illicit trade.

First, there is need for a national baseline survey to evaluate

the scope and magnitude of illicit trade and their effects.

This is critical for evidence-based decision making by policy makers. Secondly, since Kenya's trade is highly dependent on the region, we must put up bold

decisions to counter illicit trade by unscrupulous local and foreign traders and manufacturers.

We should not only focus on trade in counterfeits but also other forms of illicit trade including, smuggling, substandard goods, transit

fraud and dumping and trade in prohibited goods and products. As we embrace the open borders for regional trade, we should not make it easier for illicit trade to

happen. The president's directive under the "Big- four Agenda" will present a great opportunity for Kenyans and the manufacturing sector to benefit from job

creation and inclusive economic growth. Let's make manufacturing everyone's business. Together we can win the battle!

Contacts

HEADQUARTERS

Anti-Counterfeit Agency
National Water Conservation & Pipeline
Corporation Building
3rd Flr, Dunga Rd Industrial Area,
P.O. Box, 47771-00100 (GPO), Nairobi, Kenya.
Email: info@aca.go.ke
Phone: +254 20-2280000
Mobile: +254 717 430 640

www.aca.go.ke

REGIONAL OFFICES

Kisumu
Alpha House 4th Floor, Room No. 47
P.O Box 894 - 40100 Kisumu
Tel: 057 2029929

Mombasa
Mombasa Trade Center, 5th floor
P.O. Box 87934-80100 Mombasa
Tel: 041-2220709

Eldoret
Eldoret Kiptagich Building, 3rd Floor
P.O Box 10328-30100
Tel: 053-2030558