

Dear Mr. President, Please don't shut us out. A humble appeal from used motor vehicle importers.



- Your Excellency Sir, we the members of the Kenya Auto Bazaar Association (KABA) hereby draw your attention to the proposed Draft National Automobile Policy, that among other issues seeks to limit the age of imported used cars into the country from the current 8 years to 5 years by 2019 and then to 3 years by 2021.
- We strongly feel and believe that this proposed policy is very discriminative and solely designed, motivated and purposed to first frustrate then finally, completely destroy the used car import business in Kenya and make car ownership in our country a rare privilege for only a few and out of reach for more than 85% of the population.
- Your Excellency Sir, the Kenya Auto Bazaar Association (KABA) serves more than 85% of car owners in the country and fully supports the government's Big Four development strategies especially the manufacturing industry and we want to play an even more active role in the development of our country. We believe the ongoing construction of good roads and distribution of electricity across the country is just among the many catalysts that will create a truly vibrant and diversified manufacturing sector in our nation that includes agro processing, automotive and even Jua Kali.
- Your Excellency Sir, it's a fact that we do not have automotive manufacturers in our country. What we have are new motor vehicle franchise holders and assemblers who are importing what is in essence either completely built units (CBU) that are manufactured and fully assembled abroad or semi knocked down parts which they ship in from abroad and assemble with minimum workforce and very little local content.
- These same companies are also importing direct passenger cars that are usually imported whole, with only very minimal components like wheels and accessories being fitted locally! Sadly these companies are also benefiting a great deal from tax rebates and exemptions in the guise of promoting "local motor vehicle manufacturing".
- It's a fact that the used car sector in the country has over the years grown into a formidable force that is today proudly spread across our Nation and brings together thousands of entrepreneurs, traders, salespeople, owners and even mechanics. We are also contributing to the National Government in excess of Kshs: 49 billion in taxes annually and providing livelihoods to thousands of Kenyans.
- We strongly believe that a "one size fits all legislation or policy" for the automotive sector in Kenya as proposed in the Draft National Automotive Policy will not be the magic wand that will suddenly make us an automotive manufacturing hub, but as a country, we should give freedom of choice to consumers and let the forces of demand and supply to dictate the shift of Kenyan automotive consumers preference to either new or used cars.
- Before the liberalization of vehicle imports in the country, the country's motor industry in terms of participation or purchase had been a preserve of a privileged few including big companies, aid agencies, a few wealthy buyers and the Government. If this policy is implemented in its current form, there is no doubt that many Kenyans (85% of them) will never afford a car because it will simply be a luxury completely out of their reach.
- Your Excellency Sir, we are very disheartened by the fact that the Ministry of Trade, Industry and Cooperatives deliberately chose to put us aside during the development of this vital policy and only engaged a select group that comprised mainly of new motor vehicle franchise holders, assemblers and their associates, only to come up with a discriminative policy that does not only spell sure doom to our very own existence but also proposes outright protection and huge incentives to new motor vehicle franchise holders and assemblers.
- Your Excellency Sir, our constitution prescribes the principle of consultation as the basis for decision-making. The proposed National Automotive Policy completely ignored this. We kindly and humbly request that you instruct the Cabinet Secretary for Trade, Industry and Cooperatives Hon. Peter Munya to put on hold the implementation of this policy and instead urgently convene new consultative forums that will embrace and incorporate the views and recommendations of all Manufacturers and Automotive stakeholders in our country and enable us to come up with a new and truly all inclusive National Automotive Manufacturing Policy.

Major (Rtd) JOHN KIPCHUMBA
CHAIRMAN

CHARLES G. MUNYORI
HON. SECRETARY