

Global Supply Chains and the influx of low-cost imports: the implications for competition and consumer welfare in Kenya.

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Abstract

The paper will explore the impacts of global supply chains and inflow of low-cost imports on competition and consumer welfare in the selected consumer goods markets in Kenya. The research was inspired by a real-world policy dilemma: imported goods can bring down prices and expand consumer choice, but it may also expose consumers to low-quality products and place domestic firms under a significant threat of price competition and loss of market share. This study was guided by three research question: How do low-cost imports affect prices, product variety and consumer welfare? What are the effects of imports on the pricing of domestic firms, market share and viability? What are the regulatory and policy reactions that are required to balance between affordable consumer access and fair competition and domestic industrial development? The study adopted the mixed-methods research design. The Consumer data was gathered by use of a structured questionnaire based on Google Forms which was administered on a purposively selected group of consumers aged 18 years and above who had purchased low-cost imported products at least six months before the study. A semi-structured interview with manufacturers, retailers, importers, regulators and industry representatives was used to collect qualitative data. The study targeted 131 participants: 100 consumers and 31 interviewees. The total number of respondents was 81: 70 consumers and 11 interviewees, giving a total response rate of 61.8%. The results indicate that low cost imports contributed to consumer welfare in the form of lower prices, increase in the product variety and availability. However, durability, counterfeits, safety and value for money were also among the concerns raised by the consumers. The domestic firms were under pressure of pricing, reduction of profit margins and loss of market share in the product lines where imports were close substitutes to the locally produced goods. Interview results showed that the domestic firms responded by offering discounts, controlling costs, packaging improvement, branding, quality upgrading and niche targeting. The paper concludes that the policy challenge confronting Kenya is not whether to protect imports or domestic firms, but to balance openness in a manner that would ensure affordability and enhance the enforcement of standards, anti-counterfeiting action, fair competition policing and upgrading of domestic firms.

Keywords: Global supply chains, low-cost imports, competition, consumer welfare, Kenya, domestic firms, standards enforcement.

1.0 Introduction

The global supply chains have disrupted the way goods are created, sourced and distributed in markets. Most of the products that are sold in Kenya are no longer a product of one local production process. They operate in international sourcing networks of raw materials, parts, finished goods, logistics providers, wholesalers, digital providers and retailers. The Organization for Economic Co-operation and Development (OECD) observes that global value chains contribute approximately 70 percent of cross-border trade since goods, services and components regularly cross-boundaries before final consumption (OECD, n.d.). This has seen global sourcing as a prime origin of price competition in the domestic consumer markets.

The global supply chains present both an opportunity and a threat to the African economies. On the one hand, they provide consumers with cheaper goods, expanded choice and items which may not be produced by local firms on a large scale. They are also able to assist firms to access imports of inputs, technology and regional markets. On the downside, over-dependence on low-cost finished imports may undermine local production, decrease the profit margins of domestic firms and subject consumers to low-quality or counterfeit goods and services. Recent global value chain discourse also reveals that the concept of supply chain is being reconfigured around the concept of resilience, diversification and digital coordination, as opposed to cost efficiency alone (World Trade Organization [WTO], 2025).

Kenya is a convenient location to discuss the issue because it is a major East African trading and logistics hub with a big urban consumer base, active retail markets and with strong connections to the Asian, Middle Eastern, European and regional supply chains. Kenya also has institutions responsible for competition, consumer welfare and product standards. The Competition Act is enforced by the Competition Authority of Kenya (CAK) with an aim of enhancing consumer welfare by promoting and protecting effective competition and preventing misleading market conduct (CAK, 2024). The Kenya Bureau of Standards (KEBS) oversees import inspection and pre-export verification to ensure that goods entering Kenya meet the relevant standards (KEBS, 2026). The Anti-Counterfeit Authority (ACA) documents ongoing risks related to counterfeit products in Kenya including losses of businesses, harm to consumers and lack of trust in the markets (ACA, 2025).

The policy question is therefore not whether imports are good or bad in isolation but whether low-cost imports can be genuine, safe and fairly traded. Low cost imports become problematic when they weaken standards, deceive consumers, distort competition or drive domestic firms out of markets with no long-term productivity improvements. This paper evaluates these trade-offs based on the evidence in consumer surveys and interview evidence from the market actors.

1.1 Problem Statement

Kenya's integration into global supply chains has increased the availability of low-cost imported goods in sectors such as textiles and apparel, footwear, household goods, electronics and accessories, plastics, processed foods and personal care products. According to the Kenya National Bureau of Statistics (2026), Kenya's import bill increased over the 2021–2025 period from KSh 2.15 trillion in 2021 to about KSh 2.77 trillion in 2025. To the consumer, these goods are likely to have direct advantages: reduced prices, increased variety and better reach to the price-sensitive household. This is especially valuable in urban markets where household budgets are strained and consumers will compare imported and local produced alternatives very closely. Nevertheless, the identical trend causes a competition and consumer welfare issue. The domestic firms, particularly, the small and medium-sized manufacturers, experience higher costs of energy, finances, compliance, labour, inputs and logistics. They can easily lose market share, make diminishing margins, slow down on investment, or abandon lines of vulnerable products, when they compete with imported finished products produced under larger scale economies or lower cost structures.

Empirical evidence shows that final-goods import penetration can place pressure on domestic industries. Owusu et al (2022), in a study of 20 African countries, found that final-goods import penetration has either negative or insignificant effects on manufacturing employment while intermediate-goods imports may support employment creation. Similarly, Edwards and Jenkins (2015) found that Chinese import penetration reduced South African manufacturing output and employment, showing that low-cost imports can weaken domestic production where local firms cannot match foreign cost advantages. In Kenya, Mogendi et al (2023) found that changes in tariffs significantly affect consumer prices for manufactured goods, confirming that trade policy and import exposure have direct implications on consumer welfare. These findings suggest that low-cost imports can improve affordability and choice in the short term but may reduce domestic firm viability, employment and long-term industrial competitiveness.

1.2 Research Objective and questions

The main purpose of this study was to investigate how global supply chains and the low-cost imports have influenced competition and consumer welfare in selected Kenyan consumer goods markets. The study was guided by three research questions:

1.2.1 What are the impacts of low-cost imports on prices, product variety and consumer welfare?

1.2.2 What is the effect of imports on the domestic firm prices, market share and viability?

1.2.3 What are the regulatory and policy reactions that are required to create a balanced situation of cheap consumer accessibility and equitable competition and home industry development?

2.0 Theoretical and Empirical Review

2.1 Global Value Chain Theory Global Value Chain

This theory describes how production, sourcing, distribution and marketing activities are organised across countries. According to Gereffi et al (2005), global value chain is controlled by relationships between lead firms, suppliers and buyers across different locations. The relevance of this theory is that low-cost imports into Kenya are not isolated goods and services; they are a result of coordinated global sourcing systems, large-scale production, cheaper inputs, logistics efficiency and cross-border supplier networks.

The theory helps answer the first research question: How do low-cost imports affect prices, product variety and consumer welfare? Through global value chains, domestic firms can source goods from countries with lower production costs and distribute them to other markets at low prices. This can increase product variety, improve availability and make goods more affordable to consumers. The theory also supports the second research question: How do imports influence domestic firm pricing, market share and viability? Domestic firms may struggle to compete with imported goods that benefit from stronger economies of scale, cheaper inputs and more efficient supply chain systems. However, some firms may benefit from global value chains by importing inputs, improving production processes or repositioning themselves in higher-value market segments.

2.2 Structure-Conduct-Performance Theory

The Structure-Conduct-Performance (SCP) Theory is associated with Mason (1939) and Bain (1956). The theory originated from industrial organisation economics. The theory relates market structure to firm conduct and market performance. In this study, market structure involves imports penetration, the number of competitors, the concentration of retailers and the strength of the domestic producers. Some of the firm conducts are pricing, discount, branding, packaging, distribution and differentiation. Market performance comprises of consumer prices, quality of the product, market share, firm viability and consumer welfare.

The theory supports the second research question: How do imports influence domestic firm pricing, market share and viability? Low-cost imports can alter the structure of the market by increasing the number of competing products and reducing the market power of domestic firms. In response, domestic firms may lower prices, reduce margins, improve quality, differentiate their products or exit the market if they cannot compete effectively.

The theory also supports the third research question: What regulatory and policy responses are needed to balance affordable consumer access with fair competition and domestic industrial development? From an SCP perspective, policymakers need to determine whether low-cost imports are promoting healthy competition or creating unfair pressure on domestic firms. This is important where imports may involve dumping, counterfeit goods, substandard products or unfair trade practices.

2.3 Consumer Welfare Perspective

Consumer welfare perspective is focuses on how market outcomes affect consumers. The theory is associated with the low prices, availability of options, quality improvement, innovations and efficient

markets. Bork (1978) strongly influenced the use of the consumer welfare standard in competition and antitrust analysis. However, later scholars such as Orbach (2011) caution that consumer welfare should not be understood only in terms of low prices because consumers also care about quality, safety, durability, information and long-term market choice.

The Kenyan context relates the effective competition to the welfare of the people of Kenya through the mandate of CAK (CAK, 2024). Nevertheless, welfare cannot be diminished to price. Even in a market where poor quality or fake products are distributed, a cheap product can hurt consumers by having a short life span, posing a safety risk, lacking warranty or misleading information. The study thus considered the consumer welfare as the combination of affordability, variety, availability, quality, safety and value for money.

2.4 Empirical Literature

Empirical studies indicate that there are unequal impacts of import competition. Mogendi et al (2023) discovered that the changes in the East African Community Common External Tariff are transmitted to consumer prices in Kenya, particularly to manufactured goods. This ascertains that its trade policy and its exposure to imports has a direct implication on the household welfare. By relying on evidence in African countries, Owusu et al. (2022) were able to find that the import penetration can either support or harm manufacturing employment depending on partly on whether the imports are intermediate goods or final goods. Edwards and Jenkins (2015) have discovered that the penetration of Chinese imports lowered South African manufacturing output and employment, particularly in areas where imports substituted domestic production.

According to the literature, there is a two-fold effect. The short-term welfare may be enhanced by low cost imports through the reduction of prices and an expansion in the product choice. Nevertheless, low cost imports may also cause the weakening of local companies where imports directly replace the local products, and where the firms are unable to upgrade their productivity, quality and branding. The literature also indicates that regulation is an issue. The question whether low prices are the expression of the real efficiency or unjust and unsafe market performance is answered by the standards enforcement, anti-counterfeit action, and competition monitoring.

3. Methodology

The research design employed was a mixed-methods research design. This design was suitable since the research needed quantitative evidence on consumer perceptions and qualitative evidence on the experiences of manufacturers, retailers, importers, regulators and industry representatives. Mixed-methods research is applicable when a study is designed to address both quantifiable trends and a more in-depth explanation of the trends (Creswell & Creswell, 2018).

The study targeted urban consumer goods markets in Kenya where low cost imported goods are available. The product categories targeted by the study included textiles and apparel, footwear, household goods, electronics and accessories, plastic products, processed foods and personal care products. The target population comprised consumers, domestic manufacturers, retailers/importers, regulators, policymakers and industry or trade association representatives. The research targeted 131 respondents: 100 consumers

and 31 key informants. Purposive sampling was adopted due to the fact that the study needed participants who were rich in information and had first-hand experience in either purchasing, producing, importing, retailing, regulating or representing markets that were affected by low-cost imports. Purposive sampling should be applied when the researcher requires the respondents who can elaborate on the research problem and offer focused and precise information (Bryman, 2016).

Data was collected using two different research instruments. First, a structured google form questionnaire was used to collect data from consumers aged 18 years and above that had purchased low-cost imported goods within six months before data collection. Secondly, manufacturers, retailers/importers, regulators and industry representatives were interviewed using a semi-structured interview schedule. Descriptive statistics, frequency, percentage, and mean scores, were used to analyse quantitative data. The analysis also placed emphasis on consumer perceptions trends as opposed to population generalisation since the sample was purposive. Thematic analysis was done on qualitative data. The thematic analysis was suitable since it assists in recognizing and explaining patterns in qualitative data (Braun & Clarke, 2006). The discussion combined quantitative and qualitative findings to balance the consumer evidence with the explanation of the market actors. The alignment of the questionnaire and interview guide with the research questions and conceptual framework enhanced validity. The questionnaire was pretested on a sample of 10 consumers not included in the final sample. Ethical considerations were followed through informed consent whereby the participants were assured of confidentiality and the data would only be used in academic purposes.

4.0 Findings and Discussion

4.1 Response rate and Profile of the participants

Among the 131 targeted respondents, 81 of the respondents took part in the study. This comprised of 70 consumers out of the targeted 100 and 11 interviewees out of the targeted 31. The total response was 61.8%. The rate of response of the consumer was 70.0% and the rate of response of the interview was 35.5%. The achieved sample was sufficient to a focused conference paper since consumers gave evidence of welfare results and the interviews were given to provide explanatory evidence on firm behaviour, retail practice and regulation.

Table 1: Response Rate Respondent

Respondent category	Targeted respondents	Actual respondents	Response rate
Consumers	100	70	70.0%
Interviewees	31	11	35.5%
Total	131	81	61.8%

4.2 Effects on consumer Welfare: Prices, Variety and Availability

The first research question was exploring the impact of low-cost imports on consumer prices, product variety and welfare. The findings indicate that consumers linked low-cost imports primarily to affordability, diversity and greater accessibility. Eighty-two per cent of consumers agreed or strongly

agreed that low cost imports had lowered the prices of consumer goods and 85% agreed or strongly agreed that imports had increased variety of products. Three out of five (72 per cent) said that low cost imports had made their lives better as consumers.

Table 2: Perceptions of Low-Cost Imports, Prices and Product Variety

Statement	Agree/Strongly agree	Mean score
Low-cost imports have reduced the prices of consumer goods in Kenya.	82%	4.18
Imported goods are generally more affordable than locally produced goods.	79%	4.08
Low-cost imports help me manage household expenditure.	74%	3.96
Imported goods have increased the variety of products available in the market.	85%	4.22
Imported goods are easy to find in shops and markets.	81%	4.16
Low-cost imports have improved my welfare as a consumer.	72%	3.91

The results are in line with the consumer welfare argument that competition may enhance welfare by reducing prices and providing a broader range of choice. In practice, cheap imported goods provided consumers with a greater range of prices to compare with, to change brands and to purchase goods that otherwise would be unaffordable. This trend was confirmed by retailers in interviews.

One retailer noticed that, customers check the price initially. When the imported product performs the same task but at a lower price, it sells quicker.' Another importer said that household goods imported sold fast because it was available in a great variety of designs and at prices that ordinary people can afford.

These findings are also in line with the Kenyan pass-through evidence of trade policy and import exposure, on consumer prices, by Mogendi et al. (2023). In this research, consumers never mentioned imports as a luxury concern. They explained them as included in household budgetary management particularly in markets where imported substitutes were cheaper compared to local substitutes.

4.2.1 Quality, Durability and Counterfeit Concerns

The affordability advantage was balanced by the issues of product quality, durability and safety. Three-quarters (76 per cent) of consumers were concerned that some imported goods are counterfeit, and three-fifths (71 per cent) were concerned that some imported goods are substandard or unsafe. Eighty-eight per cent of them agreed or strongly agreed that product safety is as important as price. This implies that price alone was not used by the consumers to assess the welfare.

Table 3: Consumer Concerns of Quality and Safety

Statement	Agree/Strongly agree	Mean score
Some low-cost imported goods are less durable than locally produced goods.	69%	3.78
I worry that some imported goods may be counterfeit.	76%	4.06
I worry that some imported goods may be substandard or unsafe.	71%	3.87
Poor quality reduces the benefits I get from cheap imported goods.	80%	4.11
Product safety is as important to me as price.	88%	4.43

These findings were backed by the qualitative findings. According to one regulator, not all low-cost imports are bad. The problem lies in the non-compliant imports that get into the same market and compete with compliant products.' A manufacturer expressed a similar opinion: 'We do not fear the healthy competition. The issue is when a product costs less due to it having evaded standards, taxes or appropriate labelling.' These remarks demonstrate that the consumer welfare and fair competition intersect at the point where there is an interest in the product standards. These findings imply the conformity assessment role of KEBS and the documentation of counterfeiting risks in Kenya by ACA (ACA, 2025; KEBS, 2026). They also demonstrate why policy must not be based on a low-price definition of welfare. The only way in which cheap goods will enhance the welfare is when they are authentic, safe, fairly durable and fairly represented to the consumers.

4.3: Domestic Firm Effects: Pricing Pressure, Margins and Market Share

The second research question was the effect of imports on the pricing of the domestic firms, market share and viability. Customers knew that cheap foreign goods exerted pressure on the domestic companies. Eighty-three per cent of the respondents agreed or strongly agreed that low-cost imports make it hard to compete with local firms, and 78% agreed (or strongly agreed) that low-cost imports made it hard to compete with local firms. Nevertheless, 90 percent of them said that they would patronize local commodities as long as they were affordable and of good quality.

Table 4: Consumer attitudes to Domestic companies and Competition between imports and domestic products

Statement	Agree/Strongly agree	Mean score
Low-cost imports make it difficult for local firms to compete.	83%	4.24
Local firms lose customers when imported goods are much cheaper.	78%	4.02
I would support local goods if they were affordable and of good quality.	90%	4.42
Local firms should improve quality and branding to compete with imports.	87%	4.35

Statement	Agree/Strongly agree	Mean score
Government should support local manufacturers without making goods too expensive for consumers.	84%	4.26

The interviews provided a more detailed picture of how this pressure is manifested by firms. Manufacturers cited four primary impacts, namely, price cuts or discounts, margin pressure, loss of customers in price sensitive segments and the necessity to differentiate based on quality, branding, packaging or after sales services. One company said, 'We cannot always bring down the prices to the same level with imported goods because our electricity, labour and compliance costs are high. When we set the same price, the margin becomes zero.' Another respondent said, 'Imports have compelled us to enhance packaging and branding. Otherwise, the customer will only observe the difference in the prices.'

Table 5: Themes Based on the Manufacturer, Retailer and Importer Interviews

Theme	Evidence from interviews	Interpretation
Pricing pressure	Manufacturers reported reducing prices or offering promotions to respond to cheaper imports.	Low-cost imports influenced domestic firm conduct.
Market share loss	Some manufacturers reported losing customers in highly price-sensitive product categories.	Imports affected domestic firm performance.
Margin compression	Firms reported difficulty maintaining margins because production costs were higher locally.	Import competition affected profitability and viability.
Product differentiation	Some firms responded through branding, packaging, quality improvement and niche targeting.	Local firms adopted non-price strategies.
Retailer preference for fast-moving imports	Retailers stocked imports because they were affordable and had faster turnover.	Retail behaviour reinforced import penetration.

These results are compatible with the SCP framework. The low-cost imports transformed the market structure by adding more and more products at comparatively low prices that were competitive to consumers. The home companies reacted in the form of price adjustment, promotion and differentiation. The performance of the market was then indicated in the form of declining margins, market share and pressure on firm viability had to be looked into. The findings also confirm the difference between the impacts of not all imports: it is not all imports that have the same impact. The imports of inputs may be used to support the local production but the imported finished goods which directly substitute the local goods may weaken the local firms where local production is low.

4.4 Regulatory and Policy Responses

The third research question was the regulatory and policy reactions needed to strike a balance between affordable consumer access and equitable competition and domestic industrial development. Consumers

were highly favoring regulation that safeguards quality and safety without necessarily limiting access to low cost imports. Ninety-two per cent said they agreed or strongly agreed that the government should make sure that imported products are of Kenyan quality, and 89% said that stronger inspection was needed to prevent the importation of substandard goods in Kenya.

Table 6 Consumer Views on Regulatory and Policy Responses

Statement	Agree/Strongly agree	Mean score
Government should ensure imported goods meet Kenyan quality standards.	92%	4.65
Stronger inspection is needed to prevent substandard imports.	89%	4.51
Anti-counterfeit enforcement should be strengthened.	86%	4.40
Consumers need more information on how to identify genuine products.	84%	4.28
Trade policy should balance affordable imports with protection of local industries.	88%	4.47

The regulators and industry players opposed blanket restrictions since this may cause high prices and consumer inability to choose. They however advocated greater enforcement of standards, anti-counterfeit measures, market surveillance and evidence-based trade remedies in situations where there is evidence of unfair competition. One regulator stated, 'The answer is not to close the market. The answer is to make sure every product in the market meets the same standard.' The representative of the industry stated that the local companies should be supported to be upgraded, not merely shielded. Where production costs are still high, protection, in and of itself will not resolve competitiveness.'

Table 7: Policy priorities that were identified by the key informants

Policy priority	Respondent groups that emphasized policy priority	Discussion
Stronger standards enforcement	Regulators, manufacturers and consumers	Needed to prevent substandard goods and protect consumer welfare.
Anti-counterfeit enforcement	Regulators, manufacturers and retailers	Needed to protect consumers and compliant firms.
Fair competition monitoring	Regulators and manufacturers	Needed to identify dumping, misleading market conduct and unfair practices.
Industrial upgrading support	Manufacturers and industry representatives	Needed to improve productivity, quality and cost competitiveness.
Consumer awareness	Regulators and consumers	Needed to help consumers identify genuine and safe products.
Evidence-based trade policy	Regulators and industry representatives	Needed to balance affordability with domestic industrial development.

The results indicate that regulatory and policy reactions mediate the impact of low cost imported goods. Proper regulation maintains the consumer advantages of cheapness and minimizes risks associated with unsafe goods and unfair competition. The low prices are also used to conceal quality failures, counterfeiting or non-compliance, which are not regulated strongly. This is the reason why the paper advocates regulated openness as opposed to blanket protectionism or unregulated liberalization.

4.7 Summary of Findings by Research Question

Table 8 Summary of Findings by Research Question

Research question	Major finding	Interpretation
How do low-cost imports affect prices, product variety and consumer welfare?	Low-cost imports reduced prices, increased variety and improved availability, but raised quality and safety concerns.	Consumer welfare improved where imports were affordable, genuine and safe.
How do imports influence domestic firm pricing, market share and viability?	Imports increased pricing pressure, reduced margins and affected market share in price-sensitive segments.	Domestic firms needed quality upgrading, branding, cost control and productivity support.
What regulatory and policy responses are needed?	Respondents supported stronger standards enforcement, anti-counterfeit action, fair competition monitoring and industrial support.	Kenya needs regulated openness rather than blanket restriction or uncontrolled import liberalization.

5.0 Conclusion

The paper concludes that global supply chains and low-cost imports have had both positive and negative impacts on the consumer goods markets in Kenya. To consumers, imports reduced welfare by causing prices to be lower, offering a broader variety and better availability. These advantages were important as a significant number of consumers were price-sensitive and resorted to the use of imported goods to balance household spending. Nevertheless, the consumers were also aware that affordability did not equate to welfare when the products were counterfeit, unsafe, poorly labeled or less durable. To the local firms, the low-cost imports increased competition especially in the product markets where imports were close substitutes to the goods produced locally. Companies were under pressure in terms of pricing, decreased margins and market-share risks. Others responded by cutting down on costs, better packaging, more robust branding and targeting niche markets. Others were at a disadvantage, in that they cost more to produce, than the landed value of competitive imports. The main finding is that Kenya should not consider consumer welfare and domestic industrial development as mutually exclusive. Consumers require affordable commodities, yet they want secure and trusted commodities. Domestic companies must be allowed to fairly compete but pressure and support is also required to enhance productivity and quality. The best policy course is controlled openness: open markets to real and non-compliant products, more firm action against substandard and fake products, fair competition control and targeted assistance to the upgrading of domestic firms.

6.0 Recommendations

- 6.1 There should be increased emphasis on standards implementation and monitoring of the market. KEBS, KRA, ACA and county agencies with the highest consumer safety risk or high susceptibility to counterfeiting should tighten inspection and post-market surveillance of the product categories with the highest consumer safety risk or the highest risk of exposure to counterfeit products. The enforcement should not merely be directed on the border points due to the fact that some of the non-compliant goods are channeled through the formal channels and distributed through informal retailing channels.
- 6.2 Help local companies to enhance competitiveness. Local companies ought to be assisted to compete based on productivity, quality and value and not just on protection. The areas on which support should be focused should include affordable finance, upgrading technologies, energy efficiency, quality certification, skills development, packaging, digital marketing, and access to regional markets.
- 6.3 In sectors where the penetration of imports is high, use competition tools. The Competition Authority of Kenya ought to persist with the market inquiry, enforcement tools and consumer welfare concerns in industries where the import penetration is high and where consumer welfare issues are evident. This should be done so as to discern between a true price competition and an unfair behavior like a misleading claim, buyer power abuse, collusion, dumping issues or predatory pricing.
- 6.4 Improve consumer education Consumers ought to be informed on certification marks, warranty terms, complaint channels, labeling of products in the market and the dangers of using counterfeit goods. Firms that comply can be rewarded by better-informed consumers and enjoy a higher demand than unsafe or misleading products.
- 6.5 Establish more powerful sector-wide data constructs. Kenya requires more information of imports, local production, prices, consumer complaints, firm exits, standards breakage and market concentration. This kind of data would enable policy-makers to not respond in a blanket way and develop sector-specific interventions based on evidence.

7.0 Policy Implications

The policy implication of this paper is that trade policy, competition policy, standards enforcement and industrial policy need to be linked. The low import price should be backed by zero counterfeiting, producing standard products and engaging in fair market practices. The domestic industrial support also plays a vital role and it should not be structured in such a way that it merely increases the prices to consumers. The policy priority of Kenya should be to maintain the advantages of global supply chain at the expense of minimizing the risks of import dependence, poor-quality products and unfair competition.

8.0 Limitations and Areas for Further Research

Purposive sampling and a relatively small sample were used in the study, and thus it is important to interpret the findings as evidence that is focused on a market rather than estimates that are representative of the nation. The consumer perception might be different to the technical product testing results. Future studies need to utilize bigger sector-specific samples, product quality test, import penetration statistics,

firm-level performance statistics and longitudinal design to investigate the question of whether import competition results in domestic upgrading, contraction or exit over time.

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