Twitter Thread by Tabitha Karanja

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@TabithaKaranja

It’s been a minute. Here is my statement in regards to what is happening at @keroche_ltd:

I wish to start by commending the Jubilee Government for the commendable work done during its two terms…

#Thread

This is evident from the peace the country has enjoyed and the big-ticket projects completed on the infrastructure front not forgetting the growth of the economy from a low of 3% to about 6%.

However, mid-stream the second term of the government, an unprecedented global pandemic in the name of Covid 19 hit the whole world. To be precise, the first case of Covid 19 was diagnosed in Kenya in March 2020.

The effects of the pandemic were not only on loss of lives but serious erosion of the business environment leading to closure of businesses, loss of employment and the attendant income among other effects.

The GOK put some temporary measures in an attempt to mitigate the effects of Covid 19. Some of the measures included reduction in standard VAT rate from 16% to 14%, Corporate tax rate from 30% to 25% and pushing up the minimum taxable threshold for individuals for PAYE purposes.

Though the gesture was appreciated, it did not reduce the pain caused by the pandemic to the expected level.
The above measures were withdrawn in 2021 when the pandemic was still on the increase.

I would like everyone to understand. I would like the media to have the right story and the right perspective devoid of planted explanations because as a country, we need job creators to thrive. We need to grow. We need entrepreneurship to succeed.

As we got into 2022, the cases of Covid 19 started going down but the post Covid 19 effects are being felt harder. The effects are being aggravated by the current political climate as we get closer to the August 2022 General Elections.

I hope @citizentvkenya @ntvkenya @KBCChannel1 @StandardKenya @TheStarBreaking @sokodirectory @MaudhuiHouse @CapitalFMKenya @BD_Africa & others can document the true picture of exactly what is happening on the ground in regards to how businesses are struggling.

The government should re-evaluate the post Covid effects and the impact they have on the different sectors of the economy in order to formulate policy measures that will rejuvenate the players and by extension the economy.

Without re-inventing the wheel, the government can borrow a leaf from the west where businesses have been extended grants, tax breaks, moratoriums and low interest loans.

Reality of Covid 19 pandemic impact ; case in Point-Keroche Breweries Ltd:

Why is @keroche_ltd not being allowed to operate yet we have complied with everything. We are open and we have been pushing for a solution. Is it malice? Is it deliberate sabotage? Allow me to explain:

As I explain, I hope @KAM_Kenya @KEPSA_KENYA and other bodies that support manufacturers are listening too. Because what @keroche_ltd is going through is replicated across many struggling firms @OleItumbi

While the above summary sounds abstract, the economic effects have severely affected most local enterprises since they have not been fully cushioned by the GOK policies through its agents whom in as much are exercising their mandates should do so with…

consideration of the realities on the ground. Where do we run to when we are shut down & those in charge refuse to see you to find a solution? @KAM_Kenya @KEPSA_KENYA @LinusGitahi @LinusKaikai @citizentvkenya @StateHouseKenya @NziokaWaita @MachelWaikenda @FredMatiangi

We strongly believe our struggles mirrors the sentiments and struggles of many other local businesses that are suffering in silence without an avenue or platform to air their grievances unlike multi nationals cushioned by their parent companies/ countries.

@keroche_ltd breweries appreciates the support accorded by the government through its agent the Kenya Revenue Authority (KRA), who are mandated to implement the tax policies and collect taxes on behalf of the government @KRACare @KRACorporate @CG_KRA

Dear Kenyans, before you debate this matter. I humbly request for your time to digest the crux of the matter. Go through the chronological timeline of events as they have happened at @keroche_ltd @OleItumbi @PhyllisWakiaga @KAM_Kenya @MucaiKunyiha @FredMatiangi @sokodirectory

However, we wish to highlight the run offs with @KRACare leading to closures of the company's factory at Naivasha. The ground for closure was due to outstanding tax arrears of Kshs.322 Million that accrued from February 2021. (REMEMBER the timeline the tax accrued)

Failure to be up to date on the payments was explained to KRA as low business leading to poor cashflows that could not fully meet all the cash obligations of the company (taxes, utilities, salaries, suppliers, etc). @KRACare

My question to you all is: If there is an issue, do you kill the hen that lays the eggs or you find out why the hen isn't laying more eggs and you fix that situation? @LinusGitahi @JimnahMbaru @TerryanneChebet @SokoAnalyst @OleItumbi @LinusKaikai @KEPSA_KENYA @KAM_Kenya

We subsequently entered into a proposed payment plan with KRA but we could not manage to honour the same due to frequent interruptions by KRA:
@KRACare

1) On 7th December 2022 KRA closed the factory and further issued agency notices to 36 Banks in Kenya. This completely collapsed all our business operations since we could neither produce ,sale nor access any financing from any of the banks to assist in settling the arrears.

We started negotiating for a payment plan and we requested for a 24 monthly instalments based on our financial projections which KRA rejected and insisted on six monthly instalments .

We proceeded with their proposal although we knew it was unrealistic since we wanted to have our plant re-opened and we were desperate to take our products in the market during the festive season.

To those championing to create jobs for your millions of employed youth, why isn't the issue of @keroche_ltd a concern to them yet we have contributed over KES 30B to the exchequer in taxes since we began. How many can claim this? Is this due to a toxic political environment?

2) On 22nd December 2021 KRA re-opened, but unfortunately, the earliest our products could reach the market was on 27th December 2021.We only managed to sell for three days till the end of the year but KRA were on our case demanding for the arrears according to the payment plan.

We remitted Kshs. 10 Million which was available in our accounts then; which to them was insufficient.

Can we as a country talk how we handle job creators and entrepreneurs when they are in a fix. What do you think? Can we debate candidly & soberly? @PhyllisWakiaga

3) On 10th January 2022 KRA again shut down the factory and we re- negotiated the payment plan (24-installment) which they still rejected. @KRACare

Is this fair? Is demonising our hard and honest work fair? @PhyllisWakiaga @KAM_Kenya

4) On 15th January 2022, after another round of back and forth discussions, KRA re-opened the plant. For us to go into production we needed revenue stamps which we had to apply and it took a further one week to get approval and issuance from KRA. @KRACare @KAM_Kenya @jumaf3

We therefore started production on 22nd January 2022 and even before these products reached our markets KRA struck again.

Where is @KAM_Kenya to speak on such issues we are going through? Where are the bodies that are meant to protect workers when their jobs are threatened?

5) On 31st Jan 2022, KRA closed the plant once again. In such circumstances of operating less than a week, it was impossible for us to raise the amount of money KRA were demanding. We managed to make a further payment of Kshs. 2.5 M within the short period we were in operation.

At this point they refused to accept further negotiations and the office of the Commissioner-Domestic Taxes Department, advised us that their hands were tied and we should seek support from the office of the Commissioner General.

Since then we have been trying to reach and even going to his office but we have been unable to reach him for his intervention.

Are we together till there?

I have prudently and above board grown the business that is @keroche_ltd for the past 25 years. With proper structures and we have fought to be above board to meet all requirements as expected. So why demonise honest & genuine work? Malice? Sabotage? @PhyllisWakiaga

From 1st February 2022 to date, we have remained closed and yet we have over 2Million litres of beer worth about Kshs 512 Million in our tanks which have fixed costs to a tune of about Kshs 30 Million required to maintain the same monthly.

IS THIS FAIR? @StateHouseKenya

This has drained all our resources and unfortunately if nothing is done in the next seven days, we will be forced to drain down all the beer and lay down over 250 direct employees and thousands within our nationwide distribution network.

Who will come to our aid? Who will listen

Over 250 permanent and pensionable jobs are at risk. Those who can unlock this issue are not available. The ripple effect of these jobs being terminated, does anyone care? Where is our leadership @SpeakerJBMuturi @SpeakerJBMuturi @Wetangulam @WilliamsRuto @susankihika

The recent closures of the factory by KRA have created a lot of uncertainty on the company's operations and future plans which if not addressed are likely to result to:
i) Loss of 2 million Litres of beer in the tanks under fermentation worth Kshs.512 Million.
@KAM_Kenya

ii) Loss of 250 direct jobs originating from all over Kenya whose livelihoods depend on the existence of the company.
iii) Loss of income to thousands of Kenyans who are indirectly involved in the distribution network.
iv) Erosion of the Investors confidence both Local & Foreign

v) Killing of our local industries leaving the Multinationals to monopolize our economy (killing of the goose that lays the golden egg).

It is important to recognize the contribution the company has made to the Kenyan economy from the time of its inception; @PhyllisWakiaga

i) Creation of direct and indirect jobs.
ii) Breaking of the monopoly by Multinationals in the Alcoholic beverages sector and spearheading the eradication of unhygienic drinks which are a health hazard to Kenyans. @PhyllisWakiaga @MucaiKunyiha

iii) Contribution of over Kshs.30 Billion in taxes to the Exchequer.
iv) Putting the Nakuru County and by extension Kenya on the Global map due to the latest 21st Century brewing technology. @susankihika @WilliamsRuto @MusaliaMudavadi @Wetangulam @OleItumbi @LinusKaikai

Kenyans, I have followed every law. Our products are above board on quality, taste and branding. We have fought to achieve the top quality standards. Why then would the leadership of @KRACare @KRACorporate @CG_KRA not be available to meet to resolve this? @RailaOdinga