

Kenya fines Carrefour franchisee \$7.2m for abuse of buyer power

By Duncan Miriri

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Kenya's competition authority said on Tuesday it has penalised the local Carrefour franchise holder, UAE-based Majid al Futtaim, 1.1 billion Kenyan shillings (\$7.15m) for abusing its ability to set terms to suppliers.



File photo: Customers walk inside the Carrefour hypermarket at the Two Rivers Shopping Mall in Nairobi, Kenya, 8 April 2019. Reuters/Thomas Mukoya

"The supermarket chain is required to amend all its supplier contracts and expunge clauses that facilitate abuse of buyer power," the antitrust regulator said in a statement.

The penalty is the biggest ever handed out by the Competition Authority of Kenya, the regulator said.

Majid al Futtaim, which opened its first Kenya outlet in 2016 and has grown to become one of the biggest retailers, was found guilty by the authority of abusing its superior bargaining power over an edible oils supplier and a honey manufacturing business.

The retailer was not immediately available for a comment.

(\$1 = 154.0000 Kenyan shillings)

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