

Kenyan agency publishes draft block exemption guidelines for virus-hit sectors

02 February 2021 | 17:14 GMT

- CAK allows for exemptions in five priority sector impacted by COVID-19
- Economic recovery exemptions will be valid for a period of two years

The Competition Authority of Kenya (CAK) today (2 February) published [**draft block exemption guidelines**](#) to allow cooperation to aid economic recovery of priority sectors against the background of the coronavirus crisis.

The 'Post COVID-19 Economic Recovery Block Exemptions Guidelines' (PCBEG) will allow essential collaboration in the manufacturing, private healthcare, aviation, travel & hospitality, and health research sectors.

CAK's draft guidelines provide direction to undertakings in making a self-assessment as to whether the agreements, decisions or practices which they intend to undertake will qualify for the block exemption without the need to seek the authority's intervention.

Measures by businesses should be temporary with defined timelines and the scope of collaboration must be necessary to avoid a shortage, or ensure the security of supply, the document shows.

Further, the measures should be in the public interest, such as creation of employment, and deal with critical issues that arose as a result of the COVID-19 pandemic.

In the manufacturing sector, the authority will exempt collaboration between undertakings in horizontal relationships to allow for manufacture and distribution of furniture, stationary, beverages, uniforms, ventilators and medical equipment for specified public institutions.

Collaboration between pharmaceutical manufacturers shall be limited to the manufacturing and distribution of COVID-19 vaccines and related pharmaceutical products while for non-pharmaceutical undertakings it will be limited to manufacture and distribution of coronavirus-related equipment only, according to the item.

Classification:

Regional Head Offices

EMEA: 10 Queen Street Place, London, EC4R 1BE, United Kingdom Tel: +44 (0)20 3741 1000

Americas: 1501 Broadway, New York, NY 10036 USA Tel: +1 212 686 5606

APAC: 16/F, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong Tel: +852 2158 9790

In private healthcare, the exemption will allow entities to use their industry associations to lobby financial institutions and insurers for favourable conditions and will allow for coordination in relation to the procurement of various COVID-19 consumables and pharmaceuticals.

For research in the development of COVID-19 related diagnostics, vaccines and treatments, the guidelines will allow collaboration towards the acquisition and improvement of medical research laboratories and equipment, in the attainment of 'Joint Intellectual Property Rights' in COVID-19 related inventions to allow for recouping of investment and in the licensing and distribution of the vaccines with the aim of ensuring efficient distribution.

For horticulture farming and export, the exemption concerns collaboration by horticultural farmers dealing in fruits, vegetables and flowers meant for the export, among other things.

Finally for aviation tourism and the travel industry some collaboration will be exempt from enforcement, including planning of schedules.

Exemptions granted under PCBEG would be valid for a period of two years however the authority is empowered to undertake a review of the market periodically to assess the need for extension or termination of the exemption guidelines.

Interested parties can submit views by 23 February.

Proprietary extracts and summaries are provided by PaRR's global team on a daily basis.

Classification:

Regional Head Offices

EMEA: 10 Queen Street Place, London, EC4R 1BE, United Kingdom Tel: +44 (0)20 3741 1000

Americas: 330 Hudson Street, 4th Floor, New York, NY 10013 USA Tel: +1 212 686 5606

APAC: Suite 1602-06, Grand Millennium Plaza, 181 Queen's Road, Central, Hong Kong Tel: +852 2158 9790