

**COMPETITIVE RESPONSE STRATEGY OF EAST AFRICA COMMUNITY CUSTOMS UNION
AND PERFORMANCE OF THE OIL INDUSTRY IN KENYA**

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ABSTRACT

Performance is the main goal of any business organization. The EAC Customs Union assist to level the playing field for the region's producers by imposing uniform competition policy and law, customs procedures and external tariffs on goods imported from third countries, which should assist the region to advance its economic development and poverty reduction agenda. However, there has been no empirical study that has focus on determining the influence of competitive response strategy of East African Community Customs Union on the performance of Oil Industry in Kenya. The purpose of the paper is to determine the relationship between competitive response strategies of EAC Customs Union on performance of oil industries in Kenya. This research adopted descriptive research design. The study carried out a census of all the 14 oil companies in Kenya. The study respondents comprised the general manager, financial manager and human resource from every company making a total of 42 respondents. A questionnaire was used as primary data collection instrument. The collected data was summarized, coded and tabulated. Descriptive statistic technique means and standard deviation were used to analyze the data. Inferential statistics correlation and regression analysis was also done to establish the relationship between variables. The study established that there is a significant relationship between competitive response strategies of EAC Customs Union on performance of oil industries in Kenya. Efficiency and effectiveness of customs procedures has a significant influence on the trade performance in Kenya. This is evidenced by the performance of Oil trade in Kenya among East Africa Community which has been high since introduction of Customs union. From the findings, the study concludes that competitive response strategy of customs union lead to an increase in performance of oil industries in Kenya.

Key Words: Competitive Response Strategy, Customs Union. Performance of the oil industry