

NEWSLETTER

WELCOME TO OUR BUSINESS NEWSLETTER

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Because we do it right



From the Director's Desk

Gas Africa saw a stronger second quarter of 2023 as did industry peers. Whilst liquidity remains an ongoing concern for customers, it has never been more important to understand our clients and how we can come to some work-around to bridge the time-gaps between the expectation vs the actual payment date

There is no negotiating with utility suppliers, such as Kenya Power, who left electricity dependent industrialists and domestic consumers' cages rattled after the latest unit rate hike in April - a cost that cannot immediately be passed on to our clients

We continue to take on more MGPS projects in the healthcare sector and have further projects in the pipeline in the coming two quarters which we are

excited to be working on. The network and accessibility for patients is increasing month on month and the goal of attaining Universal Healthcare should remain the target

The Kenyan shilling has continued to depreciate against the U.S. Dollar and at the basic level this has meant we are seeing the knock-on effect at garages when taking our logistics fleet in for repairs and servicing. The answers we hear are that importation has become more expensive and, therefore, the spare parts are now costing more. All of this leads to rising costs and reducing margins out of which the financial commitments still must be honored.

We all hope for relief from this plight soon

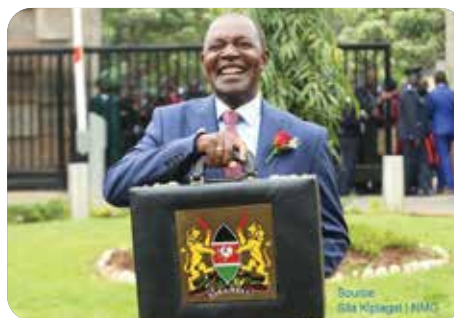
There are mixed messages in the Kenyan economy at the moment. Whilst, on the 12th May 2023, we saw Moody's downgrade the credit ratings of Kenya as an issuer of local and foreign currency and senior unsecured debt, we also saw buoyancy where Equity Group announced the acquisition of Rwandan bank CogeBanque at a controlling stake of 91.9% stake for Ksh 6.67 billion on 15th June 2023

Clearly, there are deals to be done whatever the market conditions but you should only continue where it makes sense

– Rajesh Ram, Managing Director

The Finance Bill has proposed that businesses with foreign currency denominated loan, get tax relief from between three to five years, even if the forex loss exceeds the currently allowable 30 percent limit of net income

For tax purposes, in Kenya, forex losses are categorized as an ordinary expense and arise when a business that deals in multiple currencies has its local currency depreciate against the foreign currency



Digitization Propels Kenya's Economy Forward

A report by (datareportal.com) in 2023 revealed that internet users in Kenya grew by 1.3 million (+8.0%) between 2022 and 2023, reaching a total of 17.86 million users. This surge in internet usage signifies the rise of e-commerce, with home deliveries replacing traditional in-store shopping

This digital shift has not only enabled businesses to survive economic downturns but has also created opportunities for growth, increased revenue, and job prospects. Kenya, with its robust digital foundation and a population becoming increasingly tech-savvy, is well-positioned to fully unlock the potential of its digital economy and drive sustained progress in the years ahead



I just wanted to recap on where we are. We have had a few joiners and, regrettably some leavers, over the periods though with some great development personally and professionally for the individuals and the company

Recent arrivals, including Raj Aryan who heads Business Growth continue to excel and our long-standing stewards in Caroline Kamau, for example, continue to ensure stability in the Finance department

This blend has worked for Gas Africa and we look forward to ongoing of recruitment and development of raw talent

Alice Mwendu,
Human Resource Manager



Universal Healthcare – Will we finally get it right?

President William Ruto has said the government is committed to the successful delivery of Universal Healthcare – prioritizing preventative healthcare, pegging on the skills of community health workers, NHIF reform, and the 'provision of medical supplies and equipment to deliver UHC.' He added, 'there have been two failed attempts to implement universal healthcare. But this time round, we are determined to achieve it successfully'

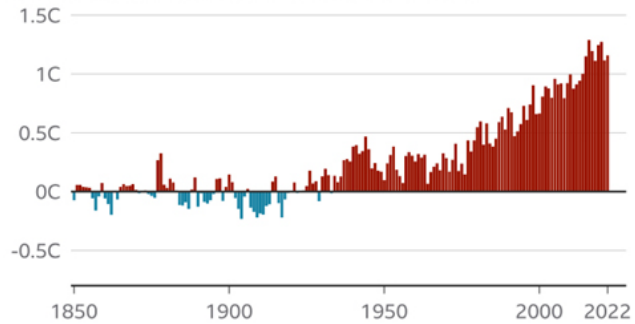
Speaking when he met Global Fund Executive Director Peter Sands at State House Nairobi, President Ruto said Kenya Medical Supplies Agency (KEMSA) must improve its services and went on to add 'KEMSA is an integral part of the equation. They must play their rightful role. The agency has had issues, but we are sorting it out.'



Finally, His Excellency stated the 'government will weed out corruption and predators at NHIF to make it more efficient.' Let us be positive for the benefit of the people of Kenya (www.president.go.ke)

The world has been getting warmer

Change in annual average global temperature from pre-industrial levels (1850-1900) in degrees C



Note: Average calculated from HadCRUT5, NOAA GlobalTemp, GISTEMP, ERA5, JRA-55 and Berkeley Earth climate datasets

Source: Met Office

BBC

Just Stop Oil – Is it a worthy debate?

Though it is a debate that has been ongoing for years, it has recently gathered momentum following the media attention received after protestors on some of the UK's busiest motorways, pitch invasions at football matches and amongst others, disruptions at oil terminals. So what do they want? The group describes itself as 'a coalition of groups working to ensure the government commits to halting new fossil fuel licensing and production.' The government on the other hand plan to license more than 100 new oil and gas projects by 2025

The purpose? To save the environment and potential suffering of humanity caused by major shifts in climate which could lead to droughts, crop shortages and so on. So, without doubt, the cause is a good one. To illustrate this, refer to the pictorial that highlights the direction of the temperatures we are headed in. Scientists note that increases of even single digit degrees would render some areas of the globe uninhabitable and

and extreme weather conditions would threaten lives and livelihoods. This rapid change we are experiencing is caused by people using oil, gas and coal for their homes, factories and transport. When these fossil fuels burn they release greenhouse gases – mostly carbon dioxide (CO₂). These gases trap the sun's heat and cause the planet's temperature to rise (bbc.com, 2023)

What is the hypocrisy of it all? Is it that the polyester fabric clothing the activists may well be wearing are petroleum based? Or the fact that they use petrol and diesel to fuel their cars and travel on roads that are made from bitumen derived from oil to go about their daily lives that makes their argument a farce? So we look for a balance perhaps. Clearly the government are working on greener projects for the long-term. They know that fossil fuels are limited. But they need to issue the licenses to generate the income from corporate tax and employee PAYE for investment in R&D to allow for this to happen. Something to ponder on

Social Responsibility

Gas Africa is thrilled to have supported Team AK44 at Rhino Charge 2023, an electrifying off-road event that pushed the limits of adventure and conservation. The initiative aimed to raise funds for the esteemed Rhino Ark Charitable Trust, dedicated to safeguarding Kenya's invaluable water towers, endangered species, and native forests

The funds raised will play a pivotal role in Rhino Ark's tireless efforts, including constructing fences around mountain ecosystems and forests to protect fragile habitats. Rhino Ark actively works towards conserving endangered species, restoring native forests, and fostering a harmonious ecosystem for biodiversity and sustainable growth. Their recent accomplishments include leading teams to extinguish forest fires in the Aberdares, saving over 40,000 acres of moorland forest. The globally acclaimed project's fences have successfully reduced human-wildlife conflict, protected large indigenous forests, and contributed to Kenya's tree cover

Gas Africa encourages individuals, businesses, and communities to unite in conserving nature and expanding tree coverage to preserve our natural heritage for future generations, recognizing that the planet's health depends on collective efforts

