

NEWSLETTER

WELCOME TO OUR BUSINESS NEWSLETTER

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Because we do it right



From the Director's Desk

A very challenging opening quarter is the only way to summarize the first three months across the gas industry. Talking with my peers across other sectors, they only conclude the same. We have seen no letup in the weakening of the Kenyan shilling against the U.S. Dollar (USD) and the sea freight charges, meaning the landed costs of imported items continue to rise. Many companies have been given a cap on the value of USD they can purchase per day from their principal banks due to the physical shortage of the currency. Naturally, investment has been and in the short run, shall continue to be, hampered. Obtaining stock required for trade has been difficult as most international vendors do not extend credit Industries that are heavily reliant

Back to the barter system? Apparently so. Talks have begun between Kenya and Pakistan on an exchange for tea and rice respectively given the shortage in dollars. Pakistan's economic woes continue and Kenya is increasingly becoming concerned about the impact it is likely to have at the Mombasa auction if one of the top buyers is not there. A creative solution in case the dollar shortage continues maybe

Domestic LPG – Finally being made affordable?

After the president opened a new LPG terminal in Mombasa at the end of February, he announced that the Ksh 6kg cylinders shall come down from a cost of Ksh 2,800 per cylinder to about Ksh 500 each. Furthermore, the 8% VAT that is currently being levied is to be removed. No doubt that shall bring great relief to the pockets of households by reducing the cost of living. The commitment is that it shall be effective from the new financial year i.e. July 2023

His excellency has importantly warned those with poor practices of filling into standard cylinders that 'your days are numbered'. Let us hope domestic clean energy gets to the consumer at the prices suggested and that it can be sustained. An excellent initiative



on electricity have seen their input costs increase heaping huge pressures on their operating margins which cannot be passed on to their clients in the near term. We even saw a proposal by Kenya Power to bill some electricity consumers that receive USD and Euros in revenue. This was rejected by the regulator, the Energy and Petroleum Regulatory Authority (EPRA) amid concern the utility will be compensated twice for exchange rate losses on their monthly bill

Companies that distribute their products have also started shopping for outsourced solutions. The search has been on for local and nationwide networks of fulfillment centers and B2B

and D2C delivery services. With the fuel bills going in one direction, manufacturers and distributors are yet again having to rethink their business models

On 01 March, the Business Daily reported that the cost of bank loans hit a 52-month high in December in the wake of the Central Bank of Kenya (CBK) rate hikes and rising yields on government paper. Things seem so bleak at the moment – or to indeed, a new business yet to take flight. What we do know is the future is uncertain and there is perhaps a period of consolidation upcoming and conservatism in outlook to be taken
- Rajesh Ram, Managing Director



I am excited to have joined the Gas Africa team in February and to get accustomed to the new industry. I have challenged myself with the role management has entrusted me with.

As an experienced Quality Assurance Specialist, now in charge of the implementation of ISO standards and Quality Management Systems, I want to make sure we build on what we have already established here – particularly those areas our customers don't see. For example, further development of Standard Operating Procedures down to the Employee Handbook. Looking forward to learning and making improvements to better serve

Josephine Mucira,
Quality Assurance Manager



Navigating Trade and Investment in Kenya

The controversy surrounding the closure and re-opening of China Square – a mall on the outskirts of Nairobi – had gripped the nation economically, socially, and politically. The founder, Lei Cheng insisted he had done nothing wrong and that they are simply negotiating better deals with vendors and can pass on those saving to Kenyan buyers – much to the fury of local Kenyans who are fearing for their own livelihoods as traditional kiosk holders and hawkers

On the other hand, the argument in times of rising costs of living is that if alternatives can be found for the same equivalent products, then why not? Does it matter that we are buying from a Chinese outfit so long as it makes economic sense? Trade Minister, Moses Kuria, said on the China Square shut down ‘we welcome Chinese investors to Kenya but as manufacturers not as traders’



Time for due consideration as to what are the true trade guidelines so that investment does not grind to a halt at a time when it is most needed



The Power and Potential of Artificial Intelligence

Artificial intelligence (AI) has been a buzzword in recent years, but what is it exactly? Think of it as a fancy term for machines that can do tasks that typically require human intelligence

Despite its amazing capabilities, AI is still unable to read minds (for now!). It can predict a person's behavior by analyzing data previously provided, but it's not quite at the telepathic level just yet. One of the great things about AI is that it gets better with time. As it interacts with users, AI learns and adapts, leading to more personalized experiences. This is why chatbots and virtual assistants such as ChatGPT or Google's Bard can provide such quick and accurate responses to user queries – because they keep learning as they go along

So, what makes AI tick? It's all about the software. Machine learning algorithms and natural language processing tools are just some examples of AI software that power the technology'

Whilst AI has the potential to make the

workspace much easier, it poses a threat to certain jobs. Repetitive tasks like data entry and assembly line work are likely to be replaced by AI, while other jobs - like data analysis and software engineering - will be created. The question becomes, what can humans do to ensure AI works with them rather than against them? One way is to embrace AI technology and use it to enhance their work instead of replacing it. The key is to recognize the areas where AI can improve our capabilities and create new job opportunities rather than replace them

Despite the benefits and challenges of AI, it is key to consider its impact on humans. If AI is not developed responsibly, it could lead to significant job losses and raise ethical concerns around issues like bias and privacy. Overall, while AI may not be reading our thoughts just yet, it is a powerful and rapidly advancing technology that will shape our future. Moving forward, we must ensure that we use it responsibly and for the greater good

Social Responsibility

Gas Africa has recently launched a Corporate Social Responsibility (CSR) program in Korogocho aimed at supporting vulnerable communities. In collaboration with Restoring Dignity Korogocho, the Gas Africa team distributed food and spent time with community members to engage and contribute to their well-being. The visit was an eye-opening experience for the team, as they witnessed the resilience, determination, and positivity of the community members despite the numerous challenges they faced daily

The engagement serves as a reminder of the value of contributing to society and the difference that can be made through collective efforts. It has increased our commitment to support at-risk communities and our conviction that, by working together, we can improve lives. We hope that these initiatives will motivate others to take similar action

The Korogocho CSR program is a significant step in fulfilling our objective to improve and transform communities across Africa. We commit to continuing our involvement in numerous projects addressing the provision of education, basic needs, healthcare, and overall well-being initiatives

