

# NEWSLETTER

WELCOME TO OUR BUSINESS NEWSLETTER

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BECAUSE WE DO IT RIGHT



## FROM THE DIRECTOR'S DESK

Jumping straight in, if I were to ask any company official, the following question: 'what is the biggest challenge being faced locally for any of their suppliers or clients?' We could all almost guarantee the conversation would circulate around the short-term financial pressures being on the business. How many times have we had the 'perfect business plan' with a growth story that could be realized IF ONLY the resources were there? To challenge in a competitive environment, be it in a commodity prices driven market or custom product led, every business needs the best creative thinkers, strong financial management, operational expertise, and well-trained

back-office customer support systems amongst others – all of these key areas require finance to deliver and more often than not, are the difference between a success story and just another venture destined for failure

The previous edition noted how investments for certain sectors continue to come through via control mediums, such as local banks, for onward lending into SMEs during times of reduced market liquidity. However, obtaining access to those funds itself is proving an uphill struggle for, not only, those that are knocking on the expansion door, but also those organizations that need short-term working capital to meet daily expenses to stay afloat

The run in to the election is well underway and the inertia in the market means that stakeholders do not have confidence in making moves that they would otherwise – this is inclusive of the banking sector. The norms that such institutions require stand as true today as they ever did i.e., they demand cash flow projections, management and audited accounts, collateral etc., but the difference now appears to be that they are hesitant to back anything but the guaranteed winning horse

Having said this, healthcare continues on its upward trajectory, with some medical groups that received third party investment, actively identified sites, began, and successfully completed construction of upwards of 50-bed hospitals. As the new facilities gain traction, Gas Africa has worked closely with their management teams in understanding their immediate requirements, typically MGPS, sourcing and installation of equipment

Of course, be it the healthcare sector or industry, the sustainable delivery of a commercial model does take time and Gas Africa understand and are supportive of growth and the delivery of the visions of its clients. Our ongoing expansion of operational and logistical capacity means there shall be no bottlenecks when it comes to the supply of medical and industrial gases



One common question I get asked is 'what's so difficult? It's only Oxygen...it comes from the air!' Clearly it is a little more complex than that. Processes of filtrations, purifications and fractional distillation of liquid air and final extraction of Oxygen via the Air Separation Unit and filling at desired pressure into cylinders, would be a fair summary of phase one. Phase two involves verification of the product. Purity testing alone has 3 test points per batch; including live analysis from the plant, chemical Orsat and then digital confirmation

**Kelvin Bryone**  
Plant Operator



The company remains committed to its roll out model of localizing distribution through satellite depots – targeting the Western region as well as the Rift Valley. We should be where you are and concerted efforts are being made to ensure the same. Management of internal resources, coupled with our understanding of the industry and market, means Gas Africa continue to deliver on providing total gas solutions following its smart and sustainable model

– Rajesh Ram, Managing Director



## SOCIAL RESPONSIBILITY

Through an array of corporate giving initiatives, Gas Africa continues to impact the community positively. This quarter in partnership with Mukuru Promotion Center (MPC), we were delighted to visit Songa Mbele Na Masomo Children Centre - a community-based organization that serves children living with disabilities in Mukuru, Nairobi. The center also supports children that have never been to school, or who dropped out of school, by giving them academic coaching and later integrating them to mainstream schools



Speaking with Sr. Mary, the institution focuses on initiatives that aim at social inclusion and educational rights. The purpose of the project is to enhance daily care, feeding, therapy, learning and participation of children as they grow. The main programs include the Special Unit where children with conditions such as autism, cerebral palsy, hyperactive and convulsion disorder, hearing impairment, epilepsy, delayed speech and learning



difficulties get therapy, medication, and education to improve their social and learning skills and their Activities of Daily Living (ADLs) that enable them to make decisions on their own

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## Q - FOCUS



### LPG vs Electricity

A strange topic to bring to the attention of our readers and consumers given Gas Africa distributes its own brand of domestic fuel. The reinstatement of VAT on LPG in July 2021 and the soaring oil prices exceeding the \$115/barrel mark on the back of the continuing invasion of Ukraine, rising shipping costs and inflation at 6.47%, you have to ask the question; 'is electricity cheaper than LPG?'

If we looked at the pure economics, it's almost a non-debate. Consider an article by Gadgets Africa on 7<sup>th</sup> March 2022, where they used the example of a 6kg cooking gas cylinder (retailing

for approx. Ksh 1,560) and noted that it has around 40 hours of use – equating to 1.3 hours a day in a 30-hour month. An electric cooktop that runs for the same number of hours, would consume 1.56 units of electricity per day (assuming it's an average cooker of 1200W) leading to a monthly consumption of 46.8 units at a cost of Ksh 15.15 per unit i.e., Ksh 710 per month

On paper we have a clear winner - electricity is cheaper. However, then comes the counter argument, of the effectiveness of the hours it is cooking. Those that frequent their kitchens may well tell you that the food takes longer to cook on electric stoves and so their preferences remain gas as their fuel. Whilst there will be the biting point and the pendulum may well swing from LPG to green fuel, there are yet more factors to consider other than the pound for pound consumption cost

Take one being the cost of the equipment. Per the locally leading online market place, typically a complete set of 6kg filled gas, with burner and grill may cost Ksh. 7,000 whilst a plug and play cooker top would cost something in the region of Ksh. 9,500. Even if you have the convenience of a plug and play cooker without the hassle of exchanging cylinders, there remains the risk of power outages that would mean no warm food until you are back online

Just because electricity cannot be seen to produce fumes in its production in a refinery like LPG, does not mean it does not leave a carbon footprint. All electricity generation technologies emit CO2 at some point during their life cycle. None of these technologies are entirely 'carbon-free'. According to [www.eia.gov](http://www.eia.gov), in the U.S. during 2020, electric power generation produced approximately '0.85 pounds of CO2 emissions per Kwh'

What we do know is that electricity is becoming more prevalent in our lives as an alternative fuel source. Government initiatives and the macroeconomics driving the shift away from traditional fuel sources will ultimately dictate when and by how much it will affect our everyday lives

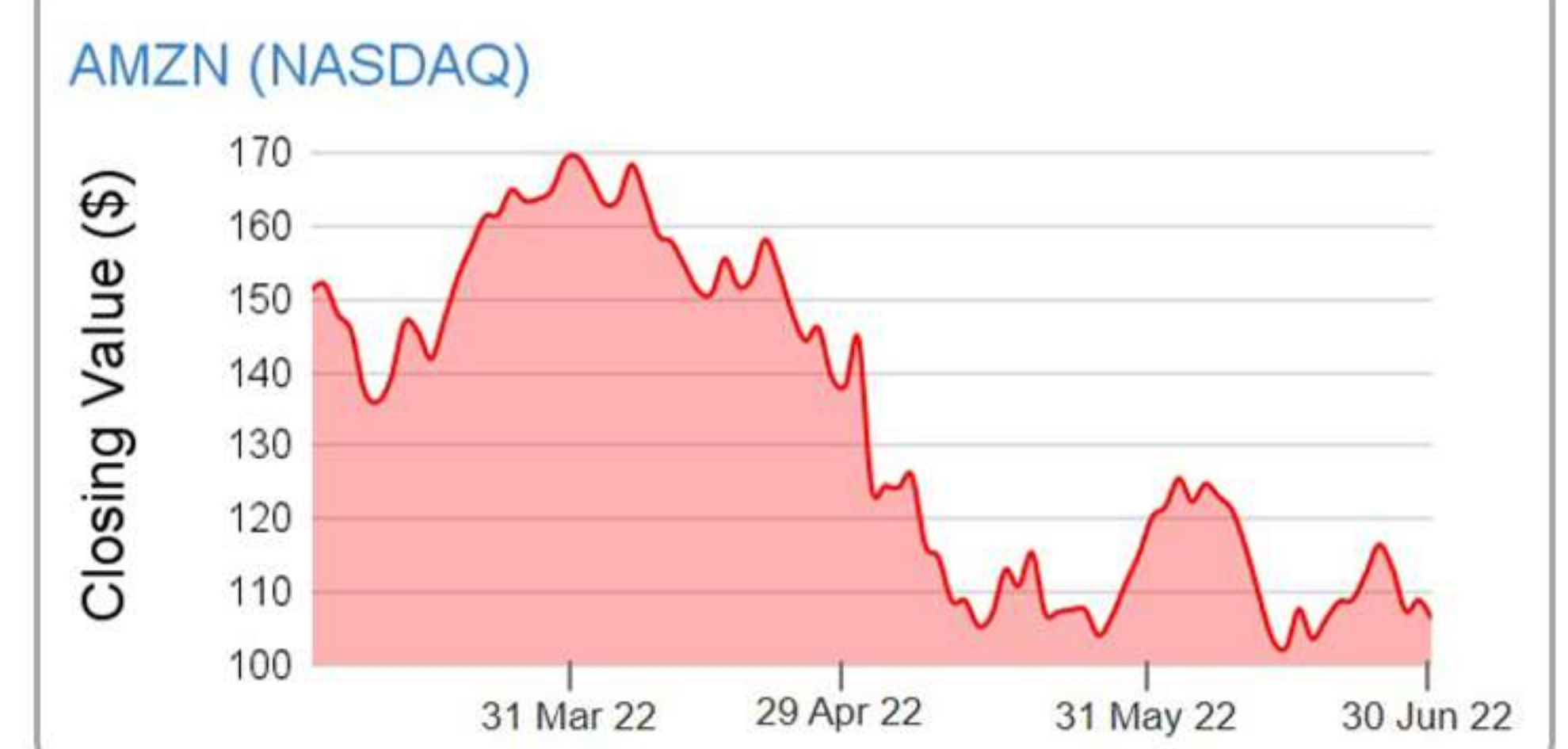


### DID YOU KNOW ?

On the 30<sup>th</sup> of April, one of the largest online advertising platforms, Meta Platforms Inc. (Facebook), lost \$232 billion in one trading day - making it the largest single-day loss in stock market history. Amazon reported losses of \$3.8 billion upon announcement of its Q1 figures wiping almost 11% off its value. In fact, on the 10<sup>th</sup> of May, CNBC reported that Amazon had lost all 'their gains from the pandemic.'

Did they become a bad company overnight? Was their data collection, use of AI, distribution, customer experience, low-cost model, branding etc. all of a sudden not what it used to be? Or was it simply that the consumers of their products and services are human and being social animals prefer the experience of the traditional way of shopping where possible? You be the judge

Are we seeing the extent of inflexibility of the traditionalists and their consumer habits? Even sustained periods of time away from social experiences that was imposed upon them during Covid-19, was not enough to forge a full adoption of the digital age as the norm. Perhaps something to ponder for the next tech entrepreneur



source: [www.macrotrends.net](http://www.macrotrends.net)

## EMPLOYEE SPOTLIGHT

### Q. What does your job entail?

A. HR is a wide encompassing department concerning all things from contracts, document control, appraisals, talent acquisition and so on. In summary, it is looking after employee welfare. Asking the relevant questions: Is our culture supporting the growth of our team? What can we do better to realize the potential of our colleagues?

### Q. What keeps you working with Gas Africa?

A. That's easy! The daily challenges. We have a culture here that everyone must take full responsibility for their jobs but also to promote our colleagues. We are all involved in decision making regarding new products, clients, growth, strategy and the overall direction of the company

### Q. Office vs home - which is more productive?

A. We tried working from home when it was the buzz phrase. In our experience, nothing beats being in the office. When we



dark cloud of Covid-19 hanging over us, there were so many online meetings, conference calls and emails being exchanged. The truth of the matter is, given the industry we are in, it is just easier to walk over to our colleagues' desks and ask for updates

### Q. What do you look for during interviews?

A. We want to know why they want to work for Gas Africa. They must have a real passion to serve – be it in healthcare or

industry

### Q. Which department would you like to give credit to?

A. You are asking the impossible! I will have to diplomatically say of course all team members and departments are EQUALLY as strong and play as important a role as each other – there you go!

**Alice Mwende**

Human Resources  
Gas Africa



## TALK TO US

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