

Bamburi to pay Sh1.3bn dividend

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Bamburi Cement Plc has announced Sh1.3 billion in dividend for the year ended last December after increased sales lifted its profit by 22.2 percent.

The firm has proposed to grow dividend 19.3 percent to Sh3.58 per share compared with Sh3 per unit, or cumulative Sh1.1 billion, it paid shareholders in the previous year.

Bamburi's net earnings increased to Sh1.38 billion from Sh1.13 billion the year before, it announced on Tuesday, citing increased sales and cost cutting measures.

The performance came in a year cement consumption in Kenya jumped 23.73 percent to

9.13 million tonnes with manufacturers raising production 24.04 percent to 9.27 million tonnes, according to Kenya National Bureau of Statistics.

The publicly-traded firm, which also has operations in Uganda, said sales rose 18.62 percent to Sh41.38 billion from Sh34.88 billion a year earlier.

"This significant increase [in revenue] was driven by volume growth in Kenya and Uganda on account of strong performance in retail and key accounts segments. This also reflects the continued economic recovery from the impact of the Covid-19 pandemic," Bamburi's board chair John Simba said in a statement.

"The group's overall average selling price improved com-

Bamburi net earnings (Sh bn)

THE COMPANY WILL PAY A SH3.58 DIVIDEND PER SHARE UP FROM SH3 PER SHARE



SOURCE: COMPANY STATEMENTS

pared to prior year on account of Kenya's higher proportion of

premium products sales."

The largest manufacturer of cement in East Africa joined its peers in raising retail prices for the key construction material, citing increased cost of operation.

Operating costs in 2021 bumped 18.25 percent to Sh39.17 billion despite the firm implementing "robust cost management through various cost initiatives and operational efficiencies".

The main raw materials for cement are generally extracted from limestone whose reserves are largely available locally.

Bamburi – controlled 58.6 percent by France's Lafarge through Fincem Holding and Kencem Holding – said its ex-

penses were pressured upwards by increased cost of coal, power, imported clinker and fuel prices.

Bamburi sees further growth in cement demand this year driven by "sustainable housing projects and significant investments in infrastructure projects" in Kenya and "greater investment in public infrastructure especially in the oil industry" in Uganda.

The firm on February 1 signed a power purchase deal with MOMNAI Energy to set up two solar plants for its factories in Mombasa and Nairobi, projecting the plants will account for about 40 percent of its power supply on completion.

EABL to raise beer price if tax passed

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East African Breweries Limited (EABL) says it will increase prices of its alcoholic products including beers and spirits if the Treasury implements a proposal to raise excise taxes on the products.

EABL managing director Jane Karuku says a tax increase will be a shock to the business, given that the sector is still reeling from the economic after shocks of the Covid 19 pandemic.

"I think the tax changes will be disaster. Ten percent is too much. It will make beer and spirits very expensive. It will affect the whole ecosystem from farmers, bar owners and distributors. It will be not be good for anybody," Ms Karuku

said yesterday.

She declined to specify the planned increase but said the brewer will have no choice but to pass on the additional burden of tax to consumers if the tax proposals are adopted.

Ms Karuku told the press that with inflation rising amid higher costs of production, a tax rise would make brands expensive and increase cost of doing business.

In the Finance Bill 2022, Treasury Cabinet Secretary Ukur Yatani has proposed to raise the consumption tax on beer by Sh12.15 per litre to Sh134, wine by Sh20.80 to Sh229, while spirits like whiskey, gin, rum and vodka will attract Sh47.60 additional tax to Sh335.30 per litre.



Heart health run

NAIROBI Senior staff from Sai Pharmaceuticals present a dummy cheque towards The Mater Heart Run to the Mater Misericordiae Hospital chief executive officer Mary Ngui. The Run will be on June 11 in eleven towns in Kenya. –POOL

Court overturns lawyer Ahmednasir's Sh750,000 windscreen award

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The High Court has overturned a Sh750,000 damages paid to lawyer Ahmednasir Abdullahi to cater for the repairs and replacement of a windscreen of his luxurious Bentley that was destroyed as he drove on a key highway three years ago.

Justice Stella Mutuku quashed the amount saying Mr Abdullahi failed to table evidence or call a witness to support his claims

that indeed his vehicle was damaged as he drove along the Nairobi-Namanga highway.

Kenya National Highways Authority (KeNHA) appealed the decision made by a Kajiado magistrate arguing that the court placed the burden of proving that the incident did not happen on it.

Mr Abdullahi sued the agency for negligence after the windscreen of his Bentley Bentley was damaged by a stone at a

section of the highway that was undergoing repair by workers contracted by KeNHA.

"No one else, other than the respondent, is aware that he was travelling to Nairobi from Arusha on the 30th August 2018. The exact location of the accident is also not known," the judge said adding that the senior counsel mentioned that the incident happened somewhere between Kajiado and Isinya.

In his suit, Mr Abdullahi

claimed the workers failed to put up appropriate signs warning motorists of danger on the stretch of the highway that was being re-carpeted. The magistrate court agreed with Mr Abdullahi saying KeNHA had a duty of care to warn motorists.

The agency appealed the decision arguing that there was no evidence that the accident happened.

Justice Mutuku said the agency owes a duty of care to road

users and should warn road users when carrying out repairs.

However, it is a requirement of the law the one alleging must present evidence to prove that he did travel to Arusha and that his vehicle was damaged as claimed.

The judge noted that Mr Abdullahi produced photocopies, not certified as copies of original and his evidence required corroboration to convince the court that what he said was true.

"As the evidence stands, it is his word of mouth alone that he traveled to Tanzania. He told the trial court that his word is sufficient. I am afraid not. At least not under these circumstances," she said.

The court said the lawyer did not notify the agency about the accident until one month later when he sent a demand letter and never produced a photograph showing the extent of damage or a police report.

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