

QuickStop

Bamburi's new retail outlets target youth

Bamburi Cement Ltd has begun converting shipping containers to retail shops in an initiative that will see youth groups engage in cement-based brick production and sale of cement. The latest initiative will see youth groups allotted a converted shipping container to serve the purpose of a Bamburi Cement exclusive retail outlet as well as to house a stabilised block-making machine. Through the offer, the groups will also receive brick-making machines, brick-making training, guidance on soil analysis and mix design, masonry training and sales and marketing skills. The pilot project kicked off in Kisii County. "We are rolling this out in Kisii as part of our efforts to drive development and sustainable growth across the country," said Irene Onacha, Bamburi's Marketing and Business Development Manager.

Uber now eyes food delivery market

Uber is making an aggressive drive into meal delivery, backed by a wave of staff recruitment, with the firm gearing up to enter at least 22 new countries and take on local rivals. In a measure of rising ambition beyond its taxi business, Uber will begin delivering meals in Amsterdam on Thursday just as Dutch market leader Takeaway.com, begins trading on the city's stock market. And according to current job listings on Uber and other recruiting sites - for about 150 roles ranging from general managers and sales staff to bike couriers - UberEats is planning to enter at least 22 new countries across the world in the near future. That is on top of the six countries where it already operates. "UberEats is one (business) we feel incredibly confident is resonating across the world," Jambu Palaniappan, recently named head of UberEats for Europe, Middle East and Africa, told Reuters in an interview.

Zuku slashes price of kit by 33 per cent

Wananchi Group's home entertainment brand Zuku TV Satellite has announced reduction in the price of its kit, which will now retail at Sh3,999, down from Sh5,999, a 33 per cent drop. Effective October 1, the full Zuku kit will be discounted as it seeks to net in more customers. Similarly, customers wishing to purchase the decoder will pay a reduced price of Sh2,499, from Sh2,999. "We have stepped up our 90 days free TV view proposition by reducing the price of our kit. This is part of our ongoing efforts to ensure customers can access affordable home entertainment at a low price," said DTH Satellite Managing Director Jay Chudasama.

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KQ in talks with four investors on stake sale

The airline needs about Sh70 billion to clean its balance sheet and return to profitability

By DUNCAN MIRIRI

Kenya Airways is talking to 'about three or four' foreign institutional investors and airlines about buying a stake to raise cash for the loss-making carrier, its chief executive has said.

The airline, 27 per cent-owned by Air France KLM, has been reducing the size of and modernising its fleet, selling land and cutting jobs to recover from losses caused by a slump in tourism.

"We are talking to about three or four parties," Mbuvi Ngunze, the CEO of Kenya Airways, told Reuters.

The search for a strategic investor is part of a plan, drawn up with the help of US investment bank PJT Partners, to raise new debt and equity funds.

Ngunze did not say how much they planned to raise but the company previously said it would need about Sh70 billion.

The carrier is also talking to its creditors, including banks, to amend terms of its debt and provide it with sufficient funds for operation in the short term, he said.

The Kenyan government, which has a 29.8 per cent stake, said it was still examining the proposals for recapitalisation.

"There is ongoing work to determine the nature of the restructuring that is going to take place," said Esther Koimmet, the public investment secretary without offering more details. No one at Air France KLM was immediately available to comment.



Mbuvi Ngunze, Kenya Airways CEO (PHOTO: FILE/STANDARD)

Ngunze said they were encouraged by the interest the business has received from potential suitors, attributing it to Nairobi's status as a major African hub airport.

Kenya Airways has an extensive route network on the continent, operating numerous flights a week to cities like Lusaka in the south and Accra in the west.

"We have a fantastic business across Africa... Africa is where things will grow and it shows you that people have an interest in the business of Kenya Airways in spite of the fact that we have had these hurdles," he said.

Forward Keys, a firm that predicts future travel patterns by studying bookings, said last week air travel to Kenya was up 14.9 per cent in the first

eight months of this year, outpacing a 5.6 per cent growth rate for the entire continent.

Ngunze attributed the higher demand to some recovery in tourism in Kenya after a spate of Islamist attacks since 2012 had deterred holidaymakers, and more international meetings being hosted by the country.

Kenya's attractions have also been highlighted by several famous visitors this year, including music superstar Madonna, who enjoyed a holiday in the summer, and Facebook founder Mark Zuckerberg, who went on a game drive during a visit earlier this month.

Ngunze cautioned, however, that there was a lot that still needed to be done before the sector can fully recover. —Reuters

Firms opt to settle land dispute out of court

By KAMAU MUTHONI

Cooking oil manufacturer, Bidco Refineries, and real estate developer, Rosslyn Development have agreed to settle a land dispute out of court.

The parties told appellate judges Alnashir Visram, Martha Koome and Sankale Kantai they have requested the case be adjourned for at least 30 days to allow out-of-court settlement.

The dispute between the two firms centers on a portion of land in Rosslyn Estate Nairobi otherwise known as LR No. 7788/21/R (Plot 21/R). The parcel of land is adjacent to pieces of property bought by the parties in disagreement.

REQUEST GRANTED

The Court of Appeal judges granted the request made by the parties, but with a caveat that if both firms do not reach an agreement, they should file their submissions within 14 days after the lapse of the negotiation period.

"By consent of the parties, this matter is adjourned for 30 days to enable parties negotiate an out-of-court settlement. In the event no settlement is reached, the appellant (Bidco) should serve and file submissions within 14 days, the respondent to do likewise," the bench headed by judge Visram ruled.

Bidco claimed ownership of the same on account that it bought it in 1995.

The oil manufacturer also lamented that it had constructed a perimeter wall at great cost along the boundary of the disputed plot, which the respondents had threatened to demolish.

But Rosslyn claimed to have been occupying the same piece land since 1957.

Rosslyn promptly responded with three affidavits and a large bundle of documents giving the history of the disputed portion.

Tullow expects to fully develop Turkana oil fields by 2020

By MOSES MICHIRA

Tullow Oil has announced that the oil fields in Turkana will be fully developed by 2020, ahead of restarting of drilling in Lokichar Basin before December.

The UK gas and oil exploration company published the production update yesterday where it gave a similar timeline for the Ugandan operation in the Lake Albert basin. Both projects are being developed independently and are collectively estimated to have more than 1.7 billion barrels crude oil reserves.

Tullow's announcement offers a much-needed reassurance after recent shocks presented by the decision by Uganda to pull out of a joint pipeline with Kenya, and opting to evacuate its oil through Tanzania. "Both projects aim for full development

by 2020," Bloomberg Intelligence analyst Will Hares reported yesterday, quoting Tullow Oil.

Kenya expects to have completed the development of the crude oil pipeline from the oil fields to Lamu Port by then, though the Energy Ministry has a more optimistic deadline of June of 2018. Mr Hares projects that the growing oil finds in both countries would catalyse the drilling activities and the construction of pipelines to evacuate the crude oil to the refineries, and onward export.

"While early-stage, with full development not expected until 2020 or later, accelerating drilling activity, resource delineation and project advancement will deliver a pipeline of near-term catalysts for license holders and investors," adds the analyst in his report.

A slump in global oil prices over the last two

years has slowed investments in drilling in many parts of the World, including Kenya. There is however little prospect of a significant price rise in the near future with major producers around the World failing to agree on cutting production to help prices.

In spite of the low global prices, Tullow - majority owner of the Lokichar oil fields, has announced rising profitability projections of the operation owing to the bigger confirmed reserves. Africa Oil and Maersk Oil jointly own 50 per cent of the operation in Lokichar, while Tullow owns the other half.

Africa Oil's chief executive Keith Hill had earlier in May said that the confirmed oil reserves had grown by a quarter since the previous assessment last year. "Based on the continuing drilling and testing program over the past year our best estimate is

now that the company's discoveries in the South Lokichar Basin contain gross unrisksed contingent resources of 766 million barrels of oil," Mr Hill said.

With that update, the Lokichar operation was upgraded to what is technically known as 2C, meaning there is sufficient chance that the available reserves are much higher than the confirmed amounts.

"The level of these resources gives us confidence that we will exceed the threshold required for development and we continue to push forward for development sanction during 2017," added Mr Hill.

Kenya, which has been forced to go it alone in the development of the crude oil pipeline after Uganda pulled out, anticipates producing the first barrel next year before scaling up production to full capacity in 2020.