

iNSiGHT

The Magazine of the Petroleum Institute of East Africa

2nd Quarter, April - June 2021



Fueling Development

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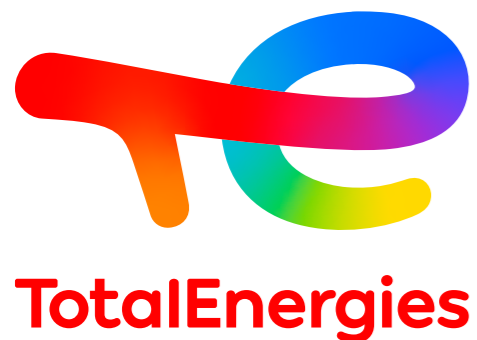
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Geoffrey Nyanaro - Trade Specialist, Stanbic Bank with John Kariuki - OLA Energy Dealer - Neema Fuel Station in Mai Mahiu

M-Jeki, A Digitized Dealer Financing Platform

The growth of any distribution-based company is highly dependent on the volumes they can sell to the market through their dealer/distributor network, and if the dealers cannot sell the product, growth and market share remains stagnant. With this challenge in mind, Stanbic Bank Kenya has developed a digitized dealer financial platform dubbed M-Jeki, aimed at availing stock financing.

With M-Jeki, dealers & distributors can now access short-term working capital financing from Stanbic Bank through the digitized platform. The platform, which is available and accessible online, solves for timely and tailor-made short-term unsecured lending facilities to dealers/distributors based on their stocking needs.

OLA Energy, which is one of Kenya's leading oil marketing company, recognized the dilemma faced by some of their dealers. At the peak of COVID-19, many of them faced the challenge of not being able to access facilities in order to keep their businesses afloat. Stanbic Bank stepped in to offer the dealers unsecured loan options, which they could access through the M-Jeki platform, to allow them to further access stock as and when needed.

"It is incredible how Stanbic Bank play their part as a real financial partner who go above and beyond to servicing OLA Energy. They provide solutions for our partners, particularly our dealers who run our service stations, because our business is based on what the dealers do. Therefore, if the dealer's business grows, our business also grows," said Millicent Onyonyi, General Manager at OLA Energy Kenya.

Renato D'Souza, Head Client Coverage, Business and Commercial Clients at Stanbic Bank Kenya added that, "M-Jeki provides a solution for clients such as OLA Energy, to access products at an affordable price in a timely manner, as it is web based and accessible 24/7 with pre-approved limits."

How the digital solution works is that Stanbic uses data to analyze a dealer and based on that information, they allocate limits to the specific dealer. Once the limits are allocated, the dealer can access funding which they then use to obtain products from OLA Energy.

One of the dealers, John Kariuki also noted, "Because of the pandemic, we fell

short of funds. When OLA Energy came in with their financial experts, Stanbic Bank, they offered us financial support. We have not had a challenging business period since because financing is now easily accessible."

M-Jeki stands out in terms of the convenience for the dealers/distributors as there are no minimum amounts, they can borrow, they can access up to Kshs. 10 million shillings and their loan limits are calculated based on the purchases turnover data. In addition, access to the loans is available to Stanbic Bank Kenya non-customer dealers, no financials are required and the onboarding turnaround time onto the platform is a maximum of three business days on receipt of all "Know Your Customer" documents. After onboarding, M-Jeki is easily accessible through various channels including mobile applications, web channels and USSD code.

If you seek further information about M-Jeki, kindly reach out to **Geoffrey Nyanaro - nyanarog@stanbic.com** who is available to provide additional information suited to your needs.

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Statement on The National Treasury Proposal to Impose 16% VAT on LPG

The changes impacting VAT on LPG (Cooking Gas) were introduced in the Finance Act 2019 Clause No. 13 where LPG was removed from the list of Zero Rated supplies (Schedule I of the VAT Act) effectively imposing the VAT Standard rate. Subsequent lobby efforts resulted in the effective date of implementation of this law being deferred to 1st July 2021. This has occasioned us to once again call on Parliament to ensure that LPG retains its zero rate status in the Financial Year 2021/2022 Budget owing to the centrality of LPG on our citizenry's health, food security, afforestation, water towers reclamation, economic empowerment and the very dignity of our women and children.

Making cooking gas out of reach will mean that;

- 1 **More than 8,649 Kenyan Children will continue to die annually of preventable pneumonia because of inhaling toxins from smoke as their mother's cook with charcoal and firewood. These Children will get sick and die before they celebrate their fifth birthday.**
 - a Kenya's latest Economic Survey, indicates that indoor air pollution from cooking fuels like charcoal and firewood is killing an estimated 21,600 Kenyans annually, with 40% being young children and infants [exceeding the burdens of disease of malaria, tuberculosis and diarrhea combined].
 - b No Child in Kenya should die from the cooking of a meal and we must all put up this fight to KEEP LPG AFFORDABLE for our Children's sake.
- 2 **Local Manufacturing of LPG cylinders will be reversed and /or remain stagnant as reduced demand of cooking gas will mean reduced demand of LPG cylinders and with it reduced employment and entrepreneurship opportunities for particularly our youth.**
 - a Kenya's LPG growth action targets to increase LPG cylinders to 18 million by 2030 from the current 4.5 million-this will NOT be met if the cost of LPG is distorted upward.
- 3 **President Uhuru Kenyatta re-commitment to the World on 21st April 2021 that Kenya was on course in converting 100% of Kenyans using firewood, charcoal and kerosene to LPG by 2028 will be a dream in futility as it will be completely derailed.**
 - a Kenya has committed to eliminate indoor pollution (from cooking with charcoal/firewood) to reduce our greenhouse gas emissions by 32% by 2030.
- 4 **Kenya's food security will continue to be under a real threat due to the climate change effects from our massive deforestation from harvesting of trees for firewood and charcoal burning.**
 - a Climate change is a development and security threat that must be addressed urgently.
- 5 **Kenya will not meet the United Nations recommended afforestation target of 10% forest cover by 2030 and the current 7.4 % cover will continue to decline as no**

afforestation effort will match the rate of tree harvesting for household cooking fuel.

- a Banning of logging and charcoal processing will NOT deter OR counter this forest destruction which stands at 10.3 million cubic meters per year.
- 6 **The loss of Government Ksh 9 billion annual revenue from solid sodium carbonate(trona) mining, will become a devastating reality due to the drying up of Lake Magadi which has been caused by degradation from deforestation, climate change and siltation.**
 - a The drying up of Lake Magadi has put at risk the livelihoods of 50,000 community members and 600 employees so far.
 - 7 **The effects deforestation and environmental degradation came alive earlier this year with the flooding of our lakes in Naivasha, Nakuru and Turkana where over approximately 40,000 Kenyans were displaced from their homes and over 6,000 jobs had been lost.**
 - a Our Tourism sector revenues will further suffer the brunt of this due to the apparent extinction of unique fish and bird species including flamingoes.
 - 8 **Reclaiming our five water towers will remain an elusive dream as the enabling ecosystem which is supposed to aid Kenya's five water towers feed filtered rainwater to rivers and lakes and provide over 75% of the Country's renewable surface water, will continue to rapidly deteriorate from tree harvesting and burning of charcoal for provision of household cooking fuel.**

Conclusion:

The Ksh 7 billion anticipated revenue that the Government hopes to collect from imposing 16% VAT on LPG will completely be outstripped by the attendant massive costs on Children's lives, health, food security, deforestation, investments, jobs, wealth creation, trona export, tourism, water and sanitation.

To subsidize the Ksh 250 billion worth of unpaid tax (as was declared by Kenya Revenue Authority for the period July to December 2020) by taxing LPG which guarantees access to the basic rights of health, food security, clean environment, water and sanitation, education and gender equality is indefensible.

**Wanjiku Manyara
Petroleum Institute of East Africa**



National Oil Inks Deal to Supply Over 10 Million Litres of Fuel to GDC

The National Oil Corporation of Kenya has signed a multi-million fuel supply deal with Geothermal Development Company (GDC) that will see National Oil supply GDC with more than 10 million litres of fuel products to support GDC's operations.

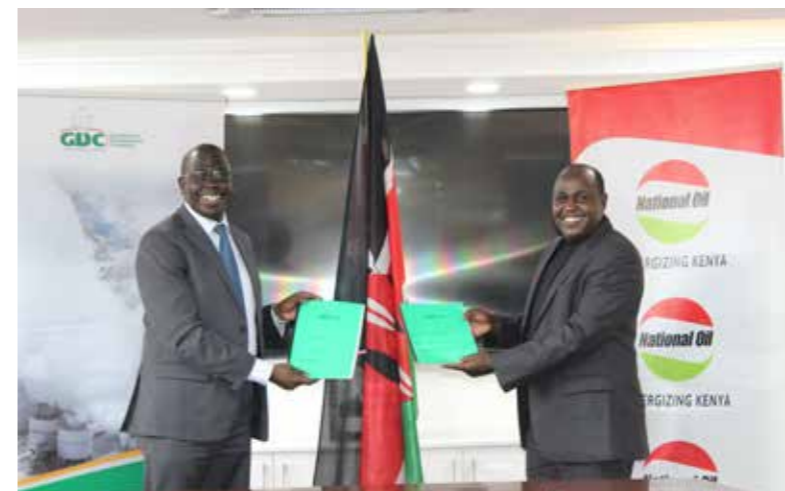
Speaking during the signing ceremony, National Oil's Chief Executive Officer Leparan Morintat noted that National Oil is on its way to reclaiming its position as the preferred and most reliable supplier of petroleum products to government agencies and other commercial customers and that it will continue to offer outstanding service excellence and product quality.

"We recognize the critical role GDC is playing in the energy value chain of this country. As you progress with the good work you are doing and as you gear up to developing 1065MW from geothermal sources by the year 2030, we are honored to play a part as your preferred supplier of your fuel, lubricants and LPG requirements" said the CEO.

"This partnership is another great example of fruitful and productive partnership between Government agencies working together for the common good of the Mwananchi, and firmly supports H. E the President's clarion call of "Buy Kenya, Build Kenya" as both National Oil and GDC are 100% Kenyan outfits. The contract we are signing today is unprecedented. This is a clear message of the confidence GDC has in National Oil Corporation of Kenya"

At the same time, GDC Managing Director Eng Jared Othieno noted that GDC has enjoyed a fantastic working relationship with National Oil over the last five (5) years and looks forward to continue the great partnership.

"We are proud to say that National Oil is contributing to the success of our geothermal projects. We appreciate your support as we strive to develop geothermal resources and we look forward to an even stronger relationship as we begin the new financial year" said Eng Othieno.



From L to R Ms Beatrice Kosgei, GM Legal Affairs GDC, Eng. Jared Othieno, MD GDC, Mr. Leparan Morintat , CEO NOC, & Mr Benson Theuri Ag. GM Downstream NOC during the fuel supply contract signing Ceremony

GDC MD Eng. Jared Othieno & NOC CEO Mr. Leparan Morintat exchange fuel supply contract signed to supply GDC with over 10 Million Litres of fuel products

The New Kipevu Oil Terminal Near Completion

The New Island Kipevu Oil Terminal (KOT) located opposite to the existing Kipevu Oil Terminal will be ready for operations by end of December this year, to boost handling of oil for the region.

Currently the project is at 88.64% and is expected to be completed by 17th December 2021. Majority of the works which include the dredging of sub-sea pipeline site areas, welding of the pipes and the entire superstructure including piling work is now complete.

The new oil terminal facility will consist of four berths capable of importing and exporting six different hydrocarbon products namely LPG, crude oil and heavy fuel oil, three types of white oil products (DPK – aviation fuel, AGO – diesel and PMS – petrol).

The four berths have a total quay length of 770m, one work boat wharf at Westmont area for landing facilities, five sub-sea pipelines and risers each dedicated to a separate oil product, six onshore pipelines each dedicated to a separate oil product, all connected to the existing Kenya Petroleum Refineries Limited (KPRL) and Kenya Pipeline Company Ltd. (KPC) tank storage areas.

Other facilities include electrical power distribution system and utilities, water supply and drainage system,

firefighting and detection facilities, telecommunications SCADA, control monitoring systems and navigation aids for the Island KOT.

The project is being constructed by the China Communication Construction Company(CCCC) at a cost of USD 400million. The initial contract construction period was 30 months but due to interference by COVID-19 the period has since been

reviewed to 34.5 months from the commencement date of January 2019.

Once complete, the Port will be able to handle four bigger vessels of up to 200,000dwt capacity at a time reducing vessel waiting time as had been the case at the old terminal. This in turn reduces the cost of business and improves Kenya's competitiveness in handling petroleum oils which is important for regional economic development.



VIVO Energy Kenya Concludes 'Weka Collabo' National Consumer Promotion with A Fuso Fi Winner



John Kamau, a driver from Limuru town, is the winner of a brand new, Fuso Fi truck in the just-concluded second edition of the WEKA COLLABO SHINDA FUSO Fi promotion. An elated Mr. Kamau (Left) was awarded the Fuso Fi truck by Simba Corp MD Mr. Nareesh Lekah (Right) and Vivo Energy Kenya MD Mr. Peter Murungi (Centre)

John Kamau, a driver from Limuru town, is the winner of a brand new, Fuso Fi truck in the just-concluded second edition of the WEKA COLLABO SHINDA FUSO Fi promotion. John, an employed driver for the last 20 years, has been fueling at various Shell service stations in Kenya given that his nature of work requires him to travel widely.

"I have always aspired to be an owner of a transportation vehicle and to run my own business. Today my dream has come true and I am moving from an employee to an employer. WEKA COLLABO Shinda Fuso Fi has actualized my aspiration" said the overjoyed Kamau during the awarding ceremony at Shell Kamakis service station at the Eastern Bypass.

Vivo Energy Kenya Managing Director Peter Murungi congratulated Mr Kamau and other motorbike winners that were awarded their prizes on same day.

"I take this opportunity to congratulate Mr Kamau for winning this strong vehicle.

I believe it will go a long way in improving and enhancing his business. I also commend the motorbike winners awarded today" said the M.D as he urged winners to be brand ambassadors by using Shell fuels and products.

"I appreciate the over four hundred thousand customers who actively participated in the promotion. The promotion is a way of giving back to our customers during this difficult time and all we can say is thank you for patronizing Shell service stations."

At the same time, Simba Corporation Managing Director Nareesh Lekha noted that the Fuso Fi worth Ksh. 5 Million is locally assembled at Associated Vehicle Assemblers (AVA), Simba Corp assembly line in Mombasa.

"The Fuso Fi that has been won today is locally assembled at our Associated Vehicle Assemblers (AVA), Simba Corp assembly line in Mombasa. We have partnered with banks for customers to

acquire the Fuso Fi with 95% financing with a repayment of up to 60 months" said Leekha.

The promotion, which kicked off on 12th February 2021, has seen over fifty thousand Kenyans win airtime, 95 motorbikes won, over a thousand e-vouchers won, a Mitsubishi L200 double cabin, and the grand prize a Fuso Fi truck won.

The second edition of the Weka Collabo promotion aimed at appreciating and rewarding Shell customers for purchasing Shell fuels and lubricants, coolants, Afrigas, and shopping at Shell or welcome shops.

Vivo Energy Kenya prides itself in offering the very best of Shell's products and services in the country. These include Shell's high-quality, differentiated fuels and lubricants, industry-leading technological and technical expertise, and personal dedicated customer service.

Amref International University Concludes Research on Clean Cooking Technologies for Health in Mukuru, Nairobi

Researchers from Amref International University (AMIU), Nairobi teamed up with academics from the University of Liverpool, UK to launch a study of new cooking innovations (enhanced cookware) in Nairobi that could help resource poor households switch from polluting fuels to clean energy for cooking. The project is part of the CLEAN-Air(Africa) Global Health Research Group (www.cleanairafrica.com) and is funded by UK FCDO Modern Energy Cooking Services (MECS) programme. The study was conducted in one of Kenya's largest informal settlements - Mukuru

kwa Njenga. Two new fuel-efficient pots were tested by 300 cooks against their traditional pots (or 'sufuria' in Swahili) to identify potential fuel and cost savings from the revolutionary fuel saving designs of the cooking pots.

"Each pot has the potential to save both time and fuel during cooking encouraging households to displace concurrent use of polluting fuels such as wood and charcoal" said Dr Elisa Puzzolo, the UK project lead.

"This so-called 'fuel stacking' leads to high levels of health damaging 'household air pollution' even in households that have access to clean gas for cooking. This air pollution is causally related to disease and mortality in African settings reliant on these solid fuels (e.g. firewood or charcoal) and particularly affects women and children due to traditional domestic roles. In Kenya alone 23,000 premature deaths annually as associated with this cooking smoke."

The innovative randomised controlled trial used to test the pots was completed on 1st June 2021 and all participants were entered into a raffle to receive either one of the intervention pots or a brand new sufuria pot to appreciate their participation in the study.

"The pots were well liked by the community with some excellent feedback on their potential to save fuel. In fact

we have been approached by a number of people asking where they can buy them" said Dr James Mwitari, the Kenyan principal investigator.

Data on potential fuel and cost savings from using the pots is currently being analysed by AMIU and will be widely shared, including with PIEA.

The enhanced cooking pot study is part of a wider program to support resource poor households transition to clean cooking in sub-Saharan Africa.

At the same time, the Director of CLEAN-Air(Africa) Prof Dan Pope said that the research team is committed in looking for long term solutions to switching lower income households to clean household energy for health in Africa.

"We are looking at a range of technical and financial innovations to overcome barriers to switching to clean household energy for health in Africa. We are currently conducting research in Kenya, Ghana, Tanzania and Cameroon where governments are implementing clean energy policies to benefit environment, climate and public health" said Prof Pope.

For more information about the study or any other aspect of the research program please contact Dr James Mwitari (James.Mwirigi@amref.ac.ke), Dr Elisa Puzzolo (puzzoloe@liverpool.ac.uk) or Prof Dan Pope (danpope@liverpool.ac.uk).



Faith Mutua, a participant of the MECS cooking pot study



AMIU distributes fuel efficient cooking pots in Kenyan informal settlement following research study



National Oil and Eni Kenya B.V Hands Over A Kitchen and Dining Hall to Mwakichuchu Secondary



National Oil CEO Leparan Morintat (L) and Eni Kenya B.V Managing Director Enrico Tavolini signing the visitors book before handing over a kitchen and dining hall to Mwakichuchu Secondary school

It was Dr Kofi Annan who said that "Knowledge is power, information is liberating but education is the premise of progress in every society and in every family." Indeed, National Oil and Eni Kenya B.V lived true to his words following the successful construction, completion and handover of a modern kitchen and a dining hall that will also serve as a multipurpose hall to Mwakichuchu Secondary School, Voi, Taita Taveta County.

The project, a collaboration of National Oil and Eni Kenya B.V, aims at giving back to the communities through high impact projects focused on impacting future generations. The project is expected to boost the quality of education in the school that has topped Voi Sub County for the last three years.

The handover ceremony was graced by National Oil Chief Executive Officer Mr. Leparan Morintat and Eni Kenya B.V Managing Director Enrico Tavolini. Speaking during the ceremony, National Oil Chief Executive Officer challenged the students to utilize the facilities to uplift their levels and quality of education.

"The future of this great country lies on the brilliant minds of our children. That is why it is very critical to invest in developing our young people as they hold the key to our country's future. It is for this reason that National Oil Corporation of Kenya with the support of partners such as Eni Kenya B.V is committed to the education and empowerment of our young people" said Morintat.

Eni Kenya B.V Managing Director Enrico Tavolini expressed his delight, saying that his company will continue working with communities to improve their livelihoods especially on education "I am very delighted today. This project is a testament to the values that we at Eni Kenya B.V hold dear. Education is key. I challenge you to take up roles in oil and gas industry so that as a community you can have maximum benefits" said Tavolini.

Eni Kenya B.V is a consortium of Eni a global Italian energy company that has vast experience in off shore oil exploration. The company has an operating license to conduct exploration in offshore blocks L11A, L11B and L12 of the Kenyan coast near Lamu and Kwale counties.

The future of this great country lies on the brilliant minds of our children. That is why it is very critical to invest in developing our young people as they hold the key to our country's future. It is for this reason that National Oil Corporation of Kenya with the support of partners such as Eni Kenya is committed to the education and empowerment of our young people

The school has a capacity of 371 boarding students and produced the best boy in Voi Sub-county during the 2020 Kenya Certificate of Secondary School Examination (KCSE).

While thanking Eni Kenya and the Corporation, the School principal Mr. Oscar Andafu expressed his joy noting that the project was now a landmark not only to the school but to the community.

"We are so grateful to National Oil and Eni Kenya for considering us. This hall will serve as a dining hall and also as a multipurpose hall which we can now utilize for the extra curriculum activities like music and drama festivals" said Andafu.

The event was well attended by parents, county administration, the clergy and local administration whilst observing Ministry of Health protocol and guidelines on Covid-19.

SCHOOL OF PETROLEUM STUDIES TRAINING CALENDAR 2021/2022 (PHYSICAL SESSIONS)

CODE	COURSE TITLE	DURATION	DATE
(A) LEGAL & REGULATORY COURSES			
SPS 003 A	Petroleum sector regulatory training on LPG Bulk storage facilities	1 day	16/MARCH/2022
(B) OIL AND GAS RETAIL AND MARKETING COURSES			
SPS007B	Strategic customer service course	5 days	7-11/MARCH/2022
SPS 008B	Stocks management Level 1	5 days	21-25/FEBRUARY/2022
(C) HEALTH SAFETY SECURITY AND ENVIRONMENT COURSES			
SPS 003C	Occupational health and risk assessment	2 days	15-16/SEPTEMBER/2021
SPS 004C	Emergency response plan (ERP)	2 days	19-20/JANUARY/2022
SPS 005C	Contractor safety management course Level 1	5 days	7-11/FEBRUARY/2022
(D) AVIATION FUEL MANAGEMENT COURSE			
SPS003D	Aviation operations & management course	5 days	9-13/AUGUST/2021
(E) LPG OPERATIONS SALES & MARKETING COURSES			
SPS001E	LPG sales, operations and marketing management	5 days	23-27/AUGUST/2021
SPS 006 E	LPG Installers course	5 days	3-7/DECEMBER /2021
(F) RISK MANAGEMENT COURSES			
SPS 001F	Risk management in the oil and gas sector course	5 days	6-10/SEPTEMBER/2021
SPS002F	High level insurance and risk management training for directors, chief executive officers, managing directors and heads of departments (HOD's)	1 day	17/NOVEMBER/2021
SPS003F	Emergency response planning and preparedness	5 days	23-26/NOVEMBER/2021
(G) PETROLEUM PRODUCTS LOGISTICS & HANDLING COURSES			
SPS003G	Petroleum depots operations & distribution management	5 days	8-12/NOVEMBER/2021
SPS004G	Introduction to the Oil & Gas Sector	5 days	20-24/SEPTEMBER/2021
SPS002M	Petroleum Stocks management level 1	5 days	4-8/OCTOBER/2021
SPS 004M	Petroleum Stocks management level 2	5 days	24-28/JANUARY/2022
SPS 005M	Petroleum road and transportation management	5 days	18-22/OCTOBER/2021
SPS 008M	First Aid competency and highway emergency response plan course (Drivers/ Emergency responders)	5 days	1-5/NOVEMBER/2021
(H) LUBRICANTS COURSES			
SPS001H	Lubricants Competency Course	5 days	18-22/SEPTEMBER/2021
(J) EXECUTIVE MANAGERIAL COURSES			
SPS001J	Highlights of The Amendments to The Companies Act, 2015 by the statute Law (Miscellaneous Amendment Act 2019)	1 day	13/OCTOBER/2021
SPS002J	Executive Introduction to the East Africa Oil and Gas sector	1 day	21/JULY/2021
SPS 003J	Corporate governance course for board management (board of directors and senior management)	1 day	4/AUGUST/2021
(K) HUMAN RESOURCE MANAGEMENT COURSES			
SPS 001K	Employee relationship management	2 days	2-3/FEBRUARY/2022
SPS 002K	Supervision leadership and management	2 days	16-17/FEBURARY/2022
(L) PERSONAL DEVELOPMENT COURSES			
SPS001L	Reinventing yourself at the workplace	2 day	
SPS002L	Work life Balance	2 days	3-4/MARCH/2022
(M) FINANCING OIL AND GAS PROJECTS			
SPS001M	Financing Oil and Gas Projects	1 day	18/AUGUST/2021

Location: Nairobi/Eldoret/Mombasa/Kisumu

Additional information:

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Open courses:	Training charges indicated are per person basis.
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PIEA non-member Kshs. 62,500 +VAT	
3-day course PIEA member Kshs. 35,000 +VAT	
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	For enquiries kindly contact: school@petroleum.co.ke or Call: 0722 221 120 /020 224 9081

SCHOOL OF PETROLEUM STUDIES TRAINING CALENDAR 2021/2022 (ONLINE MODULAR SESSIONS)

CODE	COURSE TITLE	DURATION	DATE	
(A) LEGAL & REGULATORY COURSES				
SPS 001A	Petroleum sector legal and regulatory framework	2 hours	Module 1: Petroleum Act 2019: What you need to know	11/8/2021 10.00 a.m-12.30 p.m.
			Module 2: Petroleum Act 2019: Unpacking the LPG Segment	12/8/2021 10.00 a.m-12.30 p.m.
			Module 3: Petroleum Act 2019: Unpacking the Supply Chain	13/8/2021 10.00 a.m-12.30 p.m.
(B) OIL AND GAS RETAIL AND MARKETING COURSES				
SPS 003B	Service station management course	3 hours	Module 1: Product knowledge	3/8/2021 9.30 a.m-3.30 p.m.
			Module 2: Customer service management	4/8/2021 9.30 a.m-3.30 p.m.
			Module 3: Understanding Service station lay out	5/8/2021 9.30 a.m-3.30 p.m.
			Module 4: Service station HSSE	6/8/2021 9.30 a.m-12.30 p.m.
(C) HEALTH SAFETY SECURITY AND ENVIRONMENT COURSES				
SPS 003C	Occupational health and risk assessment	2 hours	Module 1: Overview of the Occupational Safety and Health Act (OSHA)	30/9/2021 10.30 a.m-12.30 p.m.
SPS 005C	Contractor safety management course	2 hours	Module 1: Fundamentals of contractor HSSE	9/9/2021 10.30 a.m-12.30 p.m.
			Module 2: Work control procedures	10/9/2021 10.30 a.m-12.30 p.m.
			Module 3: Emergency response & spill management	13/9/2021 10.30 a.m-12.30 p.m.
			Module 4: Petroleum facility maintenance procedures	14/9/2021 10.30 a.m-12.30 p.m.
ONLINE WEBINAR	Construction Occupational health and safety management webinar	1.5 hours	<ul style="list-style-type: none"> Challenges in construction safety management How to excel in construction safety management Challenges in monitoring and evaluation of contractors 	26/August/2021
(D) AVIATION FUEL MANAGEMENT COURSE				
SPS003D	Aviation operations & management course	2 hours	Module 1: Jet fuel handling and refueling procedures	30/7/2021 10.30 a.m-12.30 p.m.
			Module 2: Jet fuel equipment & facilities	1/8/2021 10.30 a.m-12.30 p.m.
			Module 3: Quality control and jet fuel re-certification procedures	2/8/2021 10.30 a.m-12.30 p.m.
(E) SAFE PETROLEUM PRODUCTS HANDLING & LOGISTICS COURSES				
SPS004G	Introduction to the Oil & Gas Sector	2 hours	Module 1: Exploration & production	4/8/2021 10.30 a.m-12.30 p.m.
			Module 2: Legal and regulatory framework	5/8/2021 10.30 a.m-12.30 p.m.
			Module 3: Integration of renewables in the oil and gas sector	6/8/2021 10.30 a.m-12.30 p.m.
			Module 4: Petroleum market trends and analysis	9/8/2021 10.30 a.m-12.30 p.m.
SPS 004M	Petroleum road transportation management	2 hours	Module 1: Product knowledge, operations and procedures	22/9/2021 10.30 a.m-12.30 p.m.
			Module 2: Highway emergency response plan	23/9/2021 10.30 a.m-12.30 p.m.
			Module 3: Health and wellness	24/9/2021 10.30 a.m-12.30 p.m.
SPS003H	Introduction to Lubricants	2 hours	Module 1: Principles of lubricants and lubrication	1/9/2021 10.30 a.m-12.30 p.m.
			Module 2: Lubricant characteristics, types and applications	2/9/2021 10.30 a.m-12.30 p.m.
			Module 3: Lubricant standards and waste oil management policies and regulations	3/9/2021 10.30 a.m-12.30 p.m.
(K) HUMAN RESOURCE MANAGEMENT COURSES				
SPS 001K	Employee relationship management	2 hours	Module 1: Labor relations and leadership	26/8/2021 10.30 a.m-12.30 p.m.
			Module 2: People management	
SPS 002K	Supervision leadership and management	2 hours	Module 1: Managing employee teams (physical & virtual)	19-20/8/2021 10.30 a.m-12.30 p.m.
			Module 2: Leadership & technical skills	
			Module 3: Strategic decision making and problem solving	
(L) PERSONAL DEVELOPMENT COURSES				
SPS002L	Work life Balance	2 hours	Module 1: Definition of work life balance & remote working environment	30/7/2021 10.30 a.m-1.30 p.m.
			Module 2: Handling mental and physical stress & time management	

Location: Online via Microsoft teams/Google Meet

Additional information:

Online training charges:	Express Private/Group Sessions:
Scheduled calendar training sessions:	Cost per person per module: *(US \$ 150* / Kshs.15,000+VAT only
Cost per person per module: *US \$ 75*/Kshs.7,500+VAT only	(Under the Express Individual/Group Sessions we offer individual or group sessions according to the clients availability and its flexible to customize the course to be completed within a specific period of time)
Alternative for scheduled calendar training sessions is	

Contact us for customized In-house and Open-course trainings which can be done online or as physical training sessions.

For enquiries kindly contact: school@petroleum.co.ke or call: 0722 221 120 /020 224 9081

N/B - Scheduled calendar training sessions: -The

training take place as scheduled in the calendar dates/time as listed above.

-Express Individual/Group sessions- The training is delivered as per trainee's request depending on their requested availability.

Creating Employment Through Retail Network Expansion



Millicent Onyonyi
General Manager, OLA Energy
Chairman, Petroleum Institute of East Africa

OLA Energy is a key player in the African energy industry with presence across 18 African countries and over 1,200 service stations, operating in accordance with key African ethical values: Integrity, Honesty and Equity.

OLA Energy, a superbrand has noticeably fresh looking and vibrant retail stations across all major towns in Kenya.

We have embarked on aggressive growth; our retail footprint now comprises of 102 stations across the country, offering additivated O'ptimum fuel, lubes, and LPG as well as Convenience stores.

Our robust retail expansion program has resulted in establishment of an average of 18 new Service Stations annually. With the employment of 360 new staff representing 360 households, we are proud to transform the lives of 1,800 people annually through new employment opportunities we create in the new Service Stations.

The COVID-19 pandemic has hit the employment sector hard across the world with job losses reported in almost all sectors. With the declining employment rate in the country due to the contraction of the economy arising from the countrywide lockdown enforced to combat it's spread, we are grateful to be among the few creators of employment.

We are also keen on turning our retail sites into destinations for the whole family, by bringing services closer to the consumer through the upgrade of our retail back courts hence offering the consumer unmatched convenience.

At OLA Energy, we are incisive on fostering African born prosperity through strategic partnerships geared at wealth creation. We promise to deliver a memorable customer experience at all our service stations by offering high quality products coupled with exemplary customer service. In addition to fuel, lubricants and LPG, we have premium service centres, food courts, bank ATMs, chemists and even a laundromat.

This year, in line with our theme of Soaring Higher in 2021, we are proud to launch our latest innovation in the fuel business with our state-of-the-art O'Card - a fueling card solution. The new O'Card is your key to convenience by providing the consumer with enhanced security features including RFID vehicle tagging, real time transaction management with SMS support and a user-friendly web portal for dealers and customers.

"Incredible things in the business world are never made by a single person, but by a team." - Steve Jobs

OLA Energy: living by the words of our tagline - We Keep You Going.



Regulator Scaling Up Surveillance and Enforcement Efforts To Enhance Consumer Safety



Daniel Kiptoo
EPRA Director General

For many years now, cases of cars that have stalled after fueling at petrol stations, or of electrocution of persons caused by poor electrical works, or even gas explosions are common reports filed by Kenyans with the Energy and Petroleum Regulatory Authority (EPRA). These scenarios, some of them resulting to fatal accidents are avoidable only if consumers and investors in the energy sector adhered to set sector standards and regulations.

Thankfully, Section 10 (hh) of the Energy Act 2019 has bestowed the mandate of consumer protection which encompasses consumer safety on EPRA. This implies that EPRA is duty bound to protect the interests of consumers. As such the Authority has taken various steps towards this function.

Firstly, in July 2018, EPRA established an Enforcement & Consumer Protection (ECP) Directorate signalling a new dawn in its consumer protection programmes. As a result, EPRA is now able to fully implement its surveillance and enforcement activities across the country. These activities are geared towards enhancing compliance, safety and security in the energy sector and more particularly the petroleum subsector. Additionally, the Authority has established a robust Complaints and Disputes Handling regime where all complaints on energy matters

i.e. Electricity, Petroleum and Renewable Energy are reported, investigated and resolved. Further, the Regulatory Information Management System (RMIS) portal provides a platform through which consumers can launch, and track complaints. This has ensured that all complaints are prudently resolved.

Within the past two years, the Authority has opened satellite offices in seven regions across the Country. These offices are in Mombasa, Kisumu, Nyeri, Eldoret, Isiolo, Nakuru and Lodwar and are aimed at delivering energy regulatory services closer to the Kenyan people. This has strengthened surveillance on petroleum & LPG depots, wholesale & retail sites, Petroleum products transporters amongst other user facilities. Through the devolution of services, the Authority has stamped out malpractices in the petroleum subsector by swiftly apprehending suspects partaking in malpractices. As a result, consumers have access to high quality products

Collaborative efforts in enforcing standards and regulations across the sector alongside other enforcement agencies such as Kenya Revenue Authority (KRA), Kenya Bureau of

Standards (KEBS), Anti-Counterfeit Authority (ACA), Competition Authority of Kenya (CAK), National Environmental Management Authority (NEMA), Directorate of Occupational Safety and Health Services (DOSHS), and the Kenya Maritime Authority (KMA) have created synergies that ensure that consumers are protected from substandard fuel products. Through the collaborative efforts, for instance, the Authority has achieved commendable levels of compliance in the petroleum sub sector. For instance, the compliance levels for the fuel marking and monitoring program is currently at 99.5%, while that of LPG facilities is at 82%.

Consumer education remains key to consumer safety. The Authority has continuously been educating the public at the grassroots on their rights and product standards. This has been carried out through consumer workshops, media campaigns and engagements through chiefs and other National Government officials. With the Energy Act 2019, and the Intergovernmental Relations Act 2012, the Authority is optimistic that the leverage created by these legislations in creating partnerships across the two levels of Governments will boost consumer safety nationwide.



A consumer engagement forum organized by EPRA in the past

Focusing on Coolants to Improve Maintenance Standards and Grow Demand for Quality Products



In the best-case scenario, coolants business represents about 5% of the total lubricants volume used in a country. Owing to such seemingly insignificant volume, it is always possible to let the focus on this critical product of maintenance slip through the fingers as more effort is placed on the 95% portion comprising of engine oils, industrial gear oils, hydraulic oils, etc.

Kenya has seen huge strides made in promotion of high-quality lubricants such as synthetic oils as well as specialized products such as food grade lubricants. The same cannot be said of coolants.

Years of neglect of this sector has led to a flourishing demand of coolants of questionable quality often marketed by some "briefcase companies". In most cases these coolants are merely water to which a dye has been added to mimic appearance of a real coolant.

Many motorists service their cars in the *Jua kali* sectors often shunning fuels station service centres and OEM garages for reasons such as high costs or lack of comprehensive services. In the *Jua kali* sector, the mechanic is king, and they have a

high influence on what maintenance products will be used. On engine oils, thanks to marketing campaigns by oil companies, good quality lubricants are used. However, on coolants, the only determinant of the product to use is colour and price. Understandably, coolants containing only water and dye are extremely cheap and therefore rule this market segment.

One indicator that all in not well in the coolants segment is the high prevalence of vehicles stalled by the roadside on our major highways due to overheating problems. The sight of a desperate driver trying to cool the engine of a relatively new car off with a pail of water should trigger the critical question: "Why would a modern car that has been using a proper coolant overheat?"

Modern car engines are smaller yet more powerful and more efficient. This increase in power coupled with downsizing of engines places a considerable strain in the working of coolants. Coolants developers have had to come up with technically advanced products to handle the demands of modern engines. In this, they work in collaboration with engine manufacturers to understand and match the requirements of different engines.

- There was ignorance by motorists regarding coolant quality. As long as a coolant was blue, green or red, it was good to go.
- The coolants standards in the country were outdated and had weaknesses in the areas of enforcement.

Under the auspices of PIEA as well as other interested organizations in the auto industry, a technical committee was formed by KEBS to review and propose changes to the coolant standards. Thanks to the effort of this technical committee, very progressive changes were incorporated in the new coolants standards Gazetted by KEBS in February of this year. These included:

- Introduction of a tropical coolant alongside the antifreeze coolant. Tropical coolant comprises of anti-rust and anticorrosion additive package and addresses the needs of the *Jua kali* mechanics for a cost-effective coolant that provides adequate protection for the cooling system.
- Introduction of a market surveillance framework. This has two prong approaches - a basic check of coolant quality (known as the nails test) and requirement for coolants producers to show evidence of using approved coolants concentrates in formulation of their products.

The problem of consumer ignorance and misinformation could obviously not be addressed through legislation but ideally through joint effort by industry players to sensitize the market about the problem, consequently influencing consumers to make more informed decisions regarding coolants.

One such initiative has been spearheaded jointly by BASF and interested partners in the industry. Dubbed "The Good Quality Coolant Campaign", the initiative has been running on various online platforms such as Facebook and YouTube.

At the heart of this campaign is the objective to inform the motorists about the functioning of a coolant, the impact of a fake or low quality coolant and how to troubleshoot if the coolant used is truly a genuine product or simply coloured water. The central theme of this campaign is 'Coolant is more than just colour.'

Along with the above initiative, BASF has also introduced Super concentrate BS 6580 in the market for production of tropical coolant. Super concentrate BS 6580 can be diluted up to 5% to produce a tropical coolant meeting and exceeding specifications set for coolants performance such as ASTM D1384 & ASTM D4340.

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For this reason, OEM approval of a coolant is a good guarantee of the suitability of a product for a particular engine. For example, thanks to extensive collaboration with major engine manufacturers in the world, BASF has over the years developed coolants with the highest number of OEM approvals in the coolant's category.

From the foregoing, it is clear that plain water or an inferior coolant will ultimately lead to overheating problems.

Early last year, stakeholders in the industry set off on a journey to address the country's coolants problem. The first step was to establish the extent of the problem and then propose and formulate corrective measures.

From this initiative, 3 problems were identified:

- A high volume of coolants sold by most small auto shops caused rusting and corrosion of the cooling system leading to vehicle overheating. These coolants were extremely cheap and therefore a favourite of the *Jua kali* mechanics

One indicator that all in not well in the coolants segment is the high prevalence of vehicles stalled by the roadside on our major highways due to overheating problems. The sight of a desperate driver trying to cool the engine of a relatively new car off with a pail of water should trigger the critical question: "Why would a modern car that has been using a proper coolant overheat?"

Innovation Fueling Development in Oil and Gas Industry

By Humphrey Indire



Humphrey Indire
Head of Engineering & HSSE, Lexo Energy

The modern history in the oil industry has moved in leaps and bounds in innovation from 1847, when through distillation light oils were used in lamps and more viscous oil for lubrication purposes, to the big oil era in the 19th century, when major oil companies were born. One thing has been constant: innovation through change.

Presently, oil companies have continued to reorganize operations to sustain the recovery from the impact of the COVID-19 global pandemic. Restricted movement, curfews, lockdowns, social distancing, and remote working have forced oil marketing companies to find innovative ways to adapt to this new market dynamic.

At the centre of innovation is the ability to predict and forecast business requirements and adequately adjust and plan. As a result, major oil and gas companies have invested heavily in big data, cloud computing, blockchain technology, and artificial intelligence (AI), to enhance decision making and boost the bottom line. These companies process a lot of data from their operations. It is this huge raw data field that industry specialists mine by installing sensors from rigs in oil wells to radio frequency identification (RFID) tags on vehicle fuel tank caps. Data analytics then helps to detect patterns and trends to guide decisions on how to react to situations, potential defects, conduct predictive maintenance, packaging new products, and organize marketing merchandise.

In the upstream oil industry, large quantities of unstructured data is collected from day-to-day operations via seismic nodes and sensors. Such data enables engineers to effectively monitor the production and safety of the oil wells and reservoirs. The sensors used in the wells also work with blowout preventers (BOP) and enable real-time data collection with up to 20% savings made in maintenance costs. Algorithms and models are further developed to refine the decisions made and have detailed visibility of operations.

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In midstream and downstream operations, technological development has ensured that safety is paramount by minimizing risks involved in operations as well as monitoring consumer behaviour. Leading oil marketing companies (OMC's) have installed critical equipment in all depots receiving the product from the ships. Flow meters and automation systems are used to control fuel received into the above-ground storage tanks (ASTs).

We at Lexo Energy, have maintained innovation at the core of our business. Since the incorporation of the company in 2017, and across more than 40 retail fuel stations, we have ensured that operations are run in the safest and most efficient of ways, using real-time data to make decisions. As Kenya's leading fuel company in innovation, Lexo Energy has invested in having all information administered via an around-the-clock watch. With a keen eye for detail, all operations are strictly controlled. With this, there is very efficient quality control mechanism.

Underground fuel tanks are installed with Automatic Tank Gauging systems (ATGs), forecourt controllers, and leak detectors that are all integrated at one location. Tank calibration is then easily picked up with the movement of the sensors. Kenya Bureau of Standards (KEBS) is working closely with the key players to have calibration initiated by such systems including industry-wide recognised means of measurement.

With regards to environmental and social impact, the ATGs go a long way in guarding against product leakage in line with the Occupational Safety and Health Act (OSHA), 2007 by proactively picking any sharp volume drop in the tank. In as much as this is a compliance requirement by the Kenya Energy Act, 2019, leading fuel companies have gone a step further by adding the innovation edge to the process.

Green energy is another key front that Oil Marketing Companies are looking at, in reducing the carbon footprint and manage climate change around greenhouse gas (GHG) emissions. Lexo Energy has taken the lead in this area as well by reducing power consumption using LED lighting at the stations. In the solar photovoltaic (PV) systems arena, EPRA drafted new regulations in 2020 to support the manufacture, importation, and infrastructure of solar PV. Leading OMCs have taken this opportunity to align themselves with United Nations' Sustainable Development Goal number 7, which focuses on the provision of sustainable, affordable, reliable, and modern energy for all.

Innovation in green energy has also opened an alley for hybrid and electric vehicles in Kenya. The government of Kenya (GoK) targets to have 5% of the nearly 4 million registered vehicles to be electric by 2025. Lexo Energy on its part will be installing electric car charging points across its retail network to play a pivotal part in the GoK agenda. This transition will play a big role in tackling climate change in the region.

The future of innovation in the fuel industry supply chain will be controlled by big data smart solutions that will not only make oil businesses efficient and quick in decision making but also more profitable. Most OMCs in the region and globally have positioned themselves strategically to secure tomorrow's energy solutions by investing in major technological breakthroughs to exploit the tremendous opportunity offered by IoT, blockchain, cloud computing, and green energy.

The future of innovation in the fuel industry supply chain will be controlled by big data smart solutions that will not only make oil businesses efficient and quick in decision making but also more profitable. Most OMCs in the region and globally have positioned themselves strategically to secure tomorrow's energy solutions by investing in major technological breakthroughs to exploit the tremendous opportunity offered by IoT, blockchain, cloud computing, and green energy.

In the ever more complex field of volatile oil prices and the global shift from standard practices due to the COVID-19 pandemic, the responsibility for us as business leaders and corporates is to fuel development by constantly exploring the new frontiers in joining forces to optimize resources and build talent pools for a big and better tomorrow.



KCB Group Leads The Green Agenda



As an enabler of climate cautious practices, KCB Group aims at progressively growing its green financed portfolio. At the moment, green projects extended through by corporates and SMEs stand cumulatively between US\$162 million and US\$188 million, accounting for about 4.2% of the net issued loans in 2020, with a target of growing it by over 15% in the next five years.

Besides all the havoc it has wreaked, the COVID-19 pandemic has also inspired re-imagination of the role of business in society. Increasingly, businesses around the world are mulling how to take a longer-term view of their investments, beyond profit. This has intensified commitment to sustainability principles. It heralds a new era, a paradigm shift from unfettered capitalism to a more resilient, sustainable and responsible business model.

Fortunately for KCB Group PLC, this is familiar territory, dating back to 2008 when the journey began. Its sustainability policy was approved by the board in 2014, the same year the bank signed up to the UN Global Compact. In 2017, only two years after they were set up, we adopted nine out of the 17 UN Sustainable Development Goals (SDGs).

Over the years, the bank has been focused on this course, with sustainability objectives forming an integral part of the business' strategic direction. It has meant pursuing positive environmental,

social, economic and financial impacts across the markets it operates in. It also enriches design of customer propositions, beyond traditional solutions, to support individuals and businesses in integrating environmental impact. Sustainability has also been inculcated into the organizational culture.

Covid-19 Response for Future Sustainability

It is with an eye on sustainability that the Group has continued its commitment to supporting customers to weather the pandemic's economic impact and aftershocks. Though this has come at a financial cost, it makes sense to our long-term sustainability, considering the banking industry's catalytic role, and its position as the region's leading bank.

This has been attained by rolling out a variety of initiatives, for instance we restructured our loan portfolio worth KShs. 106.1 billion. In addition to waiving fees on digital banking; supporting community initiatives in enterprise development,

KCB Group has taken a leading role in promoting the green agenda. As a founding signatory of the UN Principles for Responsible Banking since 2019, the Group is proactively implementing these commitments across its operations. It also became the first banking institution in Africa, alongside 40 other international stakeholders under the Collective Commitment on Climate Action (CCCA) to align with the UN Climate Agenda.

education, health, environmental, and humanitarian response to the tune of KShs. 24.3 million through the KCB Foundation; and a KShs. 150 million donation to the COVID-19 Emergency Response Fund.

Aligning to International Best Practice

KCB Group's conscious drive towards a green agenda, which is meant to minimize environmental impact, is aligned to global best practice. This is done, while remaining relevant to respective national development priorities.

It has led to integration of international standards in operations, while supporting and enabling various stakeholders to become more environmentally conscious by adopting solutions that mitigate environmental impact. We are constantly seeking opportunities for new strategic partnerships, financing solutions, funding mechanisms and best practices for our customers, while mobilizing staff support.

This has led to the embedding into bank operations the UN Environment Programme Finance Initiative's Principles of Responsible Banking to create a sustainable banking industry while promoting responsible banking. All strategic initiatives are aligned to SDGs, UN Global Compact and the Paris Climate Agreement, of which Kenya is a signatory.

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Green Lending

As an enabler of climate cautious practices, KCB Group aims at progressively growing its green financed portfolio. At the moment, green projects extended through by corporates and SMEs stand cumulatively between US\$162 million and US\$188 million, accounting for about 4.2% of the net issued loans in 2020, with a target of growing it by over 15% in the next five years.

To negate any possible negative environmental and social impact, the group has a Social Environmental Management System embedded within its Group policies. As such the bank undertakes environmental and social risks screening on prospective loans to ensure compliance with environmental and social considerations. As at the end of 2020, KCB

Group had screened loans worth KShs. 91.8 billion through its Environmental and Social

These efforts for green financing received a major boost following KCB Group's recent accreditation to the Green Climate Fund (GCF), which supports developing countries to reduce greenhouse emissions and enhance ability to respond to climate change through adaptation and mitigation measures.

This made KCB bank the first financial intermediary in East Africa and the first private sector entity and lender in Kenya to be granted the accreditation. It paves way for the bank to receive funds from GCF for onward lending to customers involved in development of green-climate resilient investment projects across the region for projects between US\$ 50 million and US\$ 250 million.

In addition to this, KCB Group secured US\$ 150 million from the International Finance Corporation and other core lenders to support climate sensitive investments, emphasizing reduction of greenhouse gas emissions for large SMEs and corporate customers.

Tracking and Measuring Progress

Tracking of progress in its sustainability initiatives is aligned to the Global Reporting Initiative, which is widely used across industries globally and is preferred for its comprehensive sustainability reporting matrix.

To track progress, the bank also assesses the proportion of the corporate book that is Environmental and Social Impact Assessment (ESIA) compliant every year, SGD progress This is meant to sustain the momentum of compliance and performance expected by various frameworks and partners.

Oil Marketers Fueling The Kenya Economy



Peter Murungi
M.D Vivo Energy Kenya

brought about by service and maintenance activities, projects for new and upgrading existing facilities, keep the community and the country running. The value chain support is witnessed by contractors, transporters, cleaning agencies, motor vehicle dealerships, and the government.

Wealth Creation & Entrepreneurship

Businesses are set up for the financial benefit of the investor. Every investor putting in their money into the petroleum sector by constructing a service station or setting up a lubricants shop expects a return on their investment. A business always aims at making a profit and thus creating a source of wealth for the owner. Service stations in Kenya are creating wealth for their investors. In a country where service stations are coming up with every dawn, and they continue selling fuel and other petroleum products, then it translates that there is money to be made in this petroleum cake. The creation of wealth may not be swiftly actualized due to various factors that affect the businesses, for example, stiff competition, comes from the array of brands we see and product availability, amongst many other hurdles experienced in this sector. As the adage states, a journey of a thousand miles begins with the first step the business investors have a source of wealth creation, and if diligently nurtured, it bears fruits.

The entrepreneurship agenda is not to be ignored. Entrepreneurs have come up and grown in the business both in service station dealerships, lubricants, and LPG sales. The petroleum sector has opened up opportunities for big and small players, giving a fair playing ground for those who want to be entrepreneurs in this sector.

As this sector of the economy continues to thrive, the government, through various counties, can implement multiple policies to support entrepreneurship in this sector.

Construction Licenses and permits: Business communities have funding timelines from shareholders to ensure they invest in the given plan. Therefore, counties need to fast-track the issuance of various licenses and permits to enable investors to actualize each county's investment plans within shareholder's set timelines.

Levies around branding: To identify a business, you have to see

Entrance of a business into a location is a welcomed sign by its residence since this translates to increased sources of income for the community. There are direct and indirect income-generating opportunities created with every service station set up. Under direct employment at a service station, on average, twenty people get employed. Given the data gathered by PIEA, this would translate to 3,640 new employment opportunities offered in 2019 alone by one economic sector. Under the indirect jobs segment, there is an array of employment opportunities created, to name just a few; employment of locals through contractors, product and equipment procurement from local dealers, and promoting boarding and catering services from local facilities in towns where projects are carried out. Indirect jobs

its name or logo; this is the identity they carry along and differentiates them from other companies. There are many levies imposed on a business entity in the counties. Buildings and vehicle branding attract payment, which is different in individual counties. The more the rates a company has to pay, the harder it is for the investor to expand across counties. E.g., if a business is located in one county and its vehicle has to traverse two or three counties to deliver goods, it should not be charged branding fees in each county it passes. Counties should be able to recognize the one branding fee paid for the vehicle and allow it to move from county to county. Some counties' building branding fees are very high, making it unattractive for businesses to utilize wall spaces within the county to market their brands. As counties capitalize on avenues of racking in revenue for their areas, they should also look at the business's existence and find a working formula to give both parties a win-win solution.

Liaison with Road Authorities: Counties and local road authority offices need to align on the county's road maps. The alignment will make it easier to issue permits and licenses to the business community and avoid businesses having a green light to construct from the county and road authorities, blocking the construction due to planned road construction in a particular area.

Liaison with Land registry: Counties need to liaise with the local land registry offices to fast-track the land leasing process. Counties need to offer land leasing propositions to business communities to grow their economy.

Invoices: Timely issuance of invoices for all rates, rents and signage will ensure business communities pay the required fees on time and avoid penalties.

Security: Counties should work closely with local security agencies to protect investors from informal traders and squatters who interfere with the business.

Blueprint: Counties to consider sharing their development masterplans with business investors; this enables the business community to plan as they venture into the counties.

The Oil Marketing sector is a crucial driver of the Kenyan economy. Oil Marketers should continue investing in the counties. While investing in the counties, oil marketers should also factor in consumers' convenience by bringing on board various business such as quick service restaurants. Convenience retailing is the new frontier for the service stations footprint growth. With the devolved government, there is a need to build the economies at the county level and continue offering employment opportunities.

A business always aims at making a profit and thus creating a source of wealth for the owner. Service stations in Kenya are creating wealth for their investors. In a country where service stations are coming up with every dawn, and they continue selling fuel and other petroleum products, then it translates that there is money to be made in this petroleum cake. The creation of wealth may not be swiftly actualized due to various factors that affect the businesses, for example, stiff competition, comes from the array of brands we see and product availability, amongst many other hurdles experienced in this sector



Immeasurable Value of Sustainability in the Oil & Gas Industry

Article by Josiah Habwe



Josiah Habwe
Director Process Automation, Schneider Electric East Africa

We are living in interesting times, especially if you're in Oil and Gas. Large multinational oil companies are now setting serious goals to slash greenhouse gas emissions in a way that can reduce the impact of fossil fuels on our planet. Some of the largest European oil producers have now committed themselves to net-zero greenhouse gas emissions by the middle of this century.

These initiatives have come in the wake of greater pressure from governments and wider public opinion for more concrete action to be taken to tackle climate change. Efforts to meet ambitious targets to cut greenhouse gas emissions from the production of gasoline, jet fuel and other products will have a profound effect on the world we live in. Currently petroleum meets over 95 percent of global transportation demand. Fossil fuels are deeply linked with

Sustainability and profitability are not mutually exclusive concepts. The Oil and Gas industry will have to work within increasingly more stringent regulatory frameworks as public pressure to take greater step to safeguard the environment intensify. Fortunately, by starting the process to build an infrastructure of integrated and digitized systems, companies can meet the challenge of protecting the environment while remaining profitable

economic prosperity. As such, finding balance between fossil fuels, economic development, and sustainability is a complex challenge for the global economy.

Future growth for Oil and Gas companies will increasingly be based on a portfolio that will include renewable energy in various forms. According to a Wood Mackenzie report, renewables such as wind and solar, which generate 20 percent of global power, offer potential growth. Concerns about global warming are increasingly reshaping investment policies, with some of the world's largest investment management firms saying out loud that businesses must improve their environmental, social and governance metrics. This shift will act as a catalyst for oil and gas companies across the region. There is huge potential for companies in the Middle East, to not only lead the way in reducing their impact on the environment, but reap tangible business and financial benefits by becoming more operationally efficient.

Sustainability has a measurable value on economic, social and the environmental metrics. Organizations that integrate sustainability performance into their core ethos and daily operations remain profitable. Sustainability is more commonly associated with diversification into renewable energy but can also relate to business operations. Companies that adopt an holistic approach reduce costs while increasing equipment availability, management of energy consumption, minimize

accidents and releases, while increasing worker training, and more.

For this to happen, sustainability and digital transformation need to be more than popular buzz words and become definable policies with achievable timetables for adoption and integration into business operations.

But how can these ideas become tangible benefits for a company? Technologies such as The Cloud and Edge Computing are now mature enough to be implemented into existing operational structures to truly realize the potential of the industrial Internet of Things (IIoT).

The cost of smart technology for sensors, field devices and wireless technologies has dropped making it a far more attractive option for Oil and Gas operators. In fact, wireless technologies also eliminate expensive cabling costs and lower installation outlays. IIoT can act as a force multiplier by allowing companies to improve energy management, automation and safety modeling. Cloud-based solutions allow for remote monitoring and analysis that enables real-time decision making. And then there's the Digital Twin concept: the opportunity to replicate each actual physical asset, whether that be a cargo vessel or a refinery, as integrated data and information. In real time, oil and gas majors can understand what their carbon impact is. If you can measure it, you can manage it.

We are already seeing how innovative technology solutions are helping to make

Concerns about global warming are increasingly reshaping investment policies, with some of the world's largest investment management firms saying out loud that businesses must improve their environmental, social and governance metrics. This shift will act as a catalyst for oil and gas companies across the region. There is huge potential for companies in the Middle East, to not only lead the way in reducing their impact on the environment, but reap tangible business and financial benefits by becoming more operationally efficient.



businesses smarter through improved efficiency. Edge computing, for example, places devices and equipment at the 'edge' of an integrated network thereby reducing latency and improving performance. This technology is particularly useful in remote areas to monitor pipelines and ensure optimal performance. Sections that require maintenance or replacing can be located quickly to allow work crews to complete repairs saving time and money.

Devices no longer operate in isolation. To become sustainable and hit efficiency targets equipment now talk to each other, relaying information between devices and to a central monitoring hub. This allows operators greater insight into how their system is running with the ability to anticipate problems before they arise.

Technologies such as these are an ideal companion to the introduction of renewable energy sources. IIoT, when combined with digitization strategies, delivers greater visibility across a company's energy consumption and helps to develop energy efficiency priorities. By integrating energy management and control systems, Oil and Gas companies can monitor energy consumption, power quality and system health in real-time. This emphasis on smarter energy use makes operators more efficient and crucially extends the life of critical equipment while reducing the risk of failure and protecting workers.

Digitization is becoming the driving force for change in the Oil and Gas Industry where significant boosts to productivity are being seen. However, the industry cannot rest on its laurels and as technology continues to evolve and improve, investment in digital innovation must continue for operators to remain competitive in a world where the focus is turning to energy transparency.

Digital transformation can support the Oil and Gas industry on its path to greater efficiency while meeting shareholder obligations to remain profitable. The paradigm shift the sector is undergoing need not mean less profits. Indeed, by realizing greater efficiencies through the introduction of sustainable policies and processes, operators are positioning themselves towards a far brighter future.

Sustainability and profitability are not mutually exclusive concepts. The Oil and Gas industry will have to work within increasingly more stringent regulatory frameworks as public pressure to take greater step to safeguard the environment intensify. Fortunately, by starting the process to build an infrastructure of integrated and digitized systems, companies can meet the challenge of protecting the environment while remaining profitable.

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Fueling Solutions are Key to 'Dispersed Development'

By Timothy Skudi



Timothy Skudi
Chief Executive Officer Dalbit Petroleum

In the more remote parts of Uganda, economic growth can be a challenge to stimulate. In the rural north, for example, there is little incentive for communities to receive outside investment, or for neighbouring countries and regions to strike up trade. This can swiftly become a vicious cycle of communities missing out on socio-economic opportunities and thus becoming less viable for the same future opportunities. Similar issues can be

experienced across many of the continent's dispersed communities. However, an answer to the problem may lie in fuel, and the many and varied opportunities that new Fueling solutions can bring to underserved areas.

In 2018, Dalbit Uganda Limited built a petroleum depot with a capacity of 720,000 litres of Jet A-1 at Gulu, a town located some 340 kilometres from Kampala. This was in response to a tender from

one of our key clients that needed supplies of jet fuel in the region to support its operations. Gulu Airport did not have sufficient resources on its own to meet the levels of demand from this client, but we were able to work with them to increase capacity on a challenging but rewarding project.

Planes now touch down to refuel in Gulu, rather than heading to Kampala enroute to South Sudan. By investing in the construction of aviation facilities, we were able to offer employment opportunities for local Ugandan citizens as well as boosting the capabilities of Gulu airfield and all the surrounding catchment areas. Dalbit has brought international standards to local set ups, with our Standard Operating Procedures (SOPs), emphasising effective management in the handling of fuel storage facilities.

Fueling solutions have provided a connectivity link with neighbouring countries as well, whose aircraft can now refuel at the depot. This has boosted investor confidence, further opening

up the area for business. We have seen similar results since 2019, when Dalbit Uganda Limited moved to Arua, located in the West Nile region, and constructed a petroleum depot with a capacity of 300,000 litres that supplies Jet A-1 to commercial airlines. Airlines have cut costs by refueling their aircrafts at Arua and this has helped open up opportunities for the business within the community as well as foster long-term relationships with neighbouring countries such as Eastern DRC, South Sudan, and Central African Republic.

These projects were not without their challenges. In the beginning, the lack of reliable electricity in the areas meant we had to rely on diesel generators and therefore were not able to work around the clock. At times, we had to import resources such as construction material and manpower from Kampala as it was not readily available locally. And it almost goes without saying that we experienced logistics challenges due to border closures because of the government's Covid-19 lockdown regulations.

But it is vital that such work continues. To successfully drive social and economic development across areas outside of the continent's largest cities, especially in traditionally underserved communities, companies in the fuel space need to look for these 'win-win' opportunities. We can connect communities, provide jobs, fuel economic growth, and make sure the same prosperity is on offer to all of the population. Not just in Uganda, but across the continent, whose fuel potential is still only just beginning to be realised.



Kelvin Mubea Mwatha was all smiles as he received a Mitsubishi L200 Double Cabin pickup from Mr. Peter Murungi, (right) Vivo Energy Kenya Managing Director and Mr. Mehul Sachdev, (left) Simba Corporation Product Manager Pick-ups and Buses. This was one of the big prizes of the Weka Collabo Promotion, a national consumer promotion that sought to reward all Shell service stations customers. The promotion, which ended in June 2021, had the following prizes to be won; 35 motorbikes, e-vouchers worth Kshs 5,000 for ten winners daily, airtime for 400 winners daily, and the grand prize a Fuso Fi.



Eni Kenya B.V. Mr. Enrico Tavolini planting a tree after the handover of Mwakichuchu Sec. Sch. Dining hall and Kitchen



Jean-Philippe Torres - Executive Vice President of East & Central Africa M&S branch of TotalEnergies & Chairman of the TotalEnergies Marketing Kenya Board & Olagoke Aluko - TotalEnergies Managing Director and members of the Management Team launch the first TotalEnergies service station in Kenya & in Africa: TotalEnergies Limuru Road.



Lawrencia Gichatha - TotalEnergies Marketing Kenya Finance Director leads depot staff in a tree planting exercise to mark World Environment Day



Industry site visit of Nanyuki and adjacent roads with KURA - 19th May 2021
Attendees: PIEA Secretariat, Eng. Nicholas Chelugo - KURA, Cyprian Mungume - Total Energies, Jane Murogo - Total Energies, Job Arasa - Gulf Energy, Eric Wachira - Vivo Energy, George Maranga - OLA Energy, Michael Kili - NJD



Defending the Petroleum Sector 2021/2022 National Budget Proposals on the 3rd of June 2021 before the National Assembly (Finance and Planning Departmental Committee) at the Trademark Hotel

Post-budget Insights and Analysis – Building Back Better



Gideon Rotich
Senior Manager, PricewaterhouseCoopers Kenya

The Cabinet Secretary (CS) for the National Treasury and Planning, Hon. (Amb.) Ukur Yatani presented this year's budget on 10th June 2021 under the theme "Building Back Better: Strategy for Resilient and Sustainable Economic Recovery and Inclusive Growth". The budget was presented at a time when the global economy is emerging from recession due to the pandemic. In Kenya, economic recovery emerges in the context of limited resources, significant expenditure demands (post COVID-19 economy recovery, debt repayments, political expenditure, etc.) and a reduction in achievable revenue.

The Government is projecting an economic growth of 6.6% in FY 2021/22 from 0.6% in FY 2020/21 – it remains to be seen whether this growth is achievable. In addition, the Government is keen to reduce the budget deficit to GDP ratio from 8.7% currently to 3.6% by FY 2024/2025. Reducing the budget deficit is key to economic recovery and is going to be pegged on raising revenue collection, reducing wastage and inefficiencies and ring-fencing economic developments.

The projected performance is premised on broadening of the tax base and tax reforms through introduction of digital tax, voluntary tax disclosure programme, enhancing rental tax among others. Revenue performance may also result from a resurgent performance in KRA collections. According to a report recently released by the Commissioner General, the KRA defied the global pandemic that

continues to take a toll on the economy to beat its annual target in eight years. The KRA collected a record KSh1.669 trillion against annual target of KSh1.652 trillion thus surpassing the target by KSh16.808 billion. It remains to be seen whether this performance will be replicated in the current financial year.

The development expenditure budget continues to gradually shrink when compared to the total annual expenditure. In the budget estimates for FY 2021/22 it represents 18% (KSh 655 billion) of total government expenditure, against the requirement of the PFM Act of 30%. Debt continues to weigh significantly on revenues collected with loan payments being on the upward growth as the Government seeks more loans to fulfill its short term and long-term commitments. To fund the budget deficit, the government is going to source KSh 662 billion from the domestic market and KSh 271 billion from foreign markets. Domestic borrowing has the effect of locking out SMEs and private business, slowing economic growth.

Expenditure allocation

Implementation of the big four agenda remains a priority in this budget with KSh 121.1B being allocated to the health sector. The COVID-19 pandemic overstretched Kenya's health care system and hence the country's response to it is key to rebuilding the economy. To bolster the fight against COVID-19, the government has introduced some tax relief measures on various pharmaceuticals and medical equipment. In addition, KSh 14.3B has been allocated for the purchase of COVID-19 vaccines. Infrastructure is generally regarded as the main enabler of an economy. In keeping with that trend, infrastructure has received generous allocation in this Budget. Being President Kenyatta's final term, it appears that several projects and developments are planned to showcase his legacy. These cut across the country and focus on roads, rail, energy, ports and airports. KSh 182.5 billion was set aside for the economic stimulus package and the big four agenda, to support construction of roads and bridges as well as their rehabilitation and maintenance.

The activity generated from the investment should help reinvigorate the economy following the depressed growth during the COVID-19 pandemic. Furthermore, the CS has forwarded to Parliament proposed amendments to the PPP Act intended to hasten the time to financially close projects and encourage the private sector to partner in infrastructure development. The significant allocation to infrastructure in this year's budget reflects the importance of the sector in promoting local manufacturing and improving regional trade and connectivity.

The government has reaffirmed its commitment to support and fast track the growth of the manufacturing sector as part of the Big Four agenda, in the wake of a difficult operating year on account of the COVID-19 pandemic. The CS indicated the government will promote local industries with an allocation of KSh 20.5 billion under various implementing Ministries, Departments and Agencies. In addition, the government is banking on special economic zones to spur growth of industries in the counties to help the manufacturing sector recover from a difficult operating year.

The CS acknowledged the important role played by banks in cushioning Kenyans from the adverse impact of the COVID-19 pandemic. He further stated that the sector is key to the post-pandemic recovery phase. Following enactment of the Nairobi International Financial Centre (NIFC) Act in 2017, the CS directed the Authority to publish a framework for attracting investments and innovative financial services by December 2021. The Government has moved slowly over the years in establishing and operationalizing the NIFC, and it remains to be seen how much progress will be made in the year.

The agricultural sector is the economy's backbone, with enormous growth and transformation potential. The sector's contribution to GDP has stagnated at around 32-33% with relative decline in the last few years. With more than 60% of Kenya's exports attributable to agriculture, and through its links to other sectors including manufacturing, distribution, and services, agriculture contributes an extra 27% to GDP. Furthermore, the sector's contribution to labour participation is significant; 40% of the population – and 70% of the rural population – is

employed in agriculture. The FY 2021/22 agricultural sector allocation is KES 60 billion compared to KSh 52.8 billion in FY 2020/21, representing a 5% increase. In addition, a number of initiatives within the Economic Stimulus Programme and Economic Recovery Strategy were proposed and are poised to contribute to food and nutrition security and improve household income in line with the Big Four agenda and the Agriculture Sector Transformation and Growth Strategy.

From a devolution front, the pressure on revenue collections at the national level has put more pressure on counties to enhance their own source revenues (OSR) collection efforts. The County Governments were allocated KSh 370.0 billion as equitable share. This is an increase of KSh 53.5 billion from allocation of KSh 316.5 billion in FY 2020/21. With increased equitable share allocation, counties are expected to sustain efforts towards identifying new revenue streams, automating revenue collection through deployment of one integrated county revenue management system and expanding the revenue base for existing revenue streams. To support County Governments' capacities to enhance their own source revenue and reduce over-reliance on equitable share, the National Treasury will roll out a nation-wide capacity building exercise for the County Governments on interventions contained in the National Policy to Support Enhancement of County Governments' Own-Source Revenue.

In addition to the above, the government proposed other several measures aimed at fostering economic growth, and by association, tax revenue growth. The economic and fiscal reforms should continue to create an enabling business environment, enhance job creation and minimize inflationary pressure and the cost of living.

Revenue raising measures...

In terms of revenue raising measures, the CS in his budget speech reiterated some of the tax proposals contained in the Finance Bill 2021. The CS had published the Finance Bill 2021 on 5 May 2021 before reading the Budget on 10 June 2021. The Finance Act, 2021 (the Act) was assented to by the President on 29 June 2021. The Act amended the following Laws: Income Tax Act (ITA), Value Added Tax (VAT) Act, Excise Duty Act, Tax Procedures Act (TPA), the Miscellaneous Fees and Levies Act, 2016, Capital Markets Act, the Stamp Duty Act, Retirement Benefits Act and Insurance Act. There are quite a number of tax changes enacted via the Finance Act, 2021.

Effective 1 July 2021, Liquefied Petroleum Gas (LPG) is now subject to VAT at the standard rate of 16%. This change was enacted via the Finance Act of 2020; though the commencement date was pushed to 1st July 2021. This has a ripple effect of increasing the cost of energy and in turn the cost of living. However, with the introduction of VAT on LPG, the Government provided some relief by exemption from VAT denatured ethanol, biogas and prefabricated biogas digesters. The adoption of these alternative sources of energy will lead to a reduction in the usage of biomass fuel, i.e. wood fuel and charcoal and goes to show Kenya's commitment towards a green economy.

Additionally, the Government has reintroduced VAT exemptions to the Extractive Sector and Renewable Energy. Taxable goods, excluding motor vehicles, imported or purchased for direct and exclusive use in geothermal, oil or mining prospecting or exploration by a company granted a prospecting or exploration license upon recommendation by the Cabinet Secretary responsible for matters relating to energy, petroleum or mining, as case may be. The reintroduction of exemption is a welcome move as it encourages investors in these sectors given that the projects are capital intensive and the VAT incurred on the purchases is currently not recoverable.

With the last budget cycle now finalized, the Government has already started preparations for the FY 2022-23 budget cycle. In a public notice dated 9 July 2021, the CS has invited Government Departments and Agencies, the private sector, non-governmental organizations and individuals to submit proposals on economic policy measures to be considered in preparation of the National Fiscal Budget for the Financial Year 2022/23

In a bid to cushion its citizenry, the Government has provided for VAT exemption to inter alia various medical goods and equipment, tractors, taxable supplies used in the fishing industry

including fish feeding and handling, water operations, cold storage, fish cages, pond construction and maintenance, and fish processing and handling etc.

From a service industry perspective, the exportation of taxable services is now exempt from VAT except for transportation of goods originating from Kenya. The change in status of the other exported services from zero rate to exempt means that taxpayers will not be entitled to deduct input tax incurred to make these supplies. This will increase the cost of doing business for companies exporting services from Kenya and may make the country unfavorable to investors looking to use Kenya as a regional hub and expose the country to the risk of investors leaving to more favorable jurisdictions.

The Government has reduced the withholding tax rate applicable to management, training and professional fees paid by persons in the extractive sector from 12.5% to 10%. This amendment will align the withholding tax rates applicable to payments made to subcontractors for services rendered in respect of mining and petroleum operations and other management fees not falling within the definition of service fees. However, the Government has on the other hand increased the withholding tax rate applicable to service fees in respect to mining or petroleum operations from 5.625% to 10%. With the challenges in the Oil and Gas Sector in Kenya, the increase in withholding tax rate increases the cost of doing business in Kenya.

With the last budget cycle now finalized, the Government has already started preparations for the FY 2022-23 budget cycle. In a public notice dated 9 July 2021, the CS has invited Government Departments and Agencies, the private sector, non-governmental organizations and individuals to submit proposals on economic policy measures to be considered in preparation of the National Fiscal Budget for the Financial Year 2022/23. Cognizant that year 2022 is an election year, the CS noted that there is need to fast-track the National Fiscal Budget process to ensure smooth government operations and as such preparation of the Finance Bill, 2022 will commence in August, 2021 and is expected to be completed and submitted to the National Assembly in January 2022. With this opportunity, it is important that stakeholders should consider submitting various policy proposals for consideration.

Gideon Rotich – Senior Manager, PricewaterhouseCoopers Kenya.

KPC's Vision 2025 on Course, MD Assures Customers

Kenya Pipeline Company Managing Director Macharia Irungu has told industry players that comprehensive implementation of KPC's Corporate Strategic Plan (CSP) is on course and will be delivered towards meeting its customers' needs.

Speaking during a breakfast meeting with Chief Executive Officers of the Oil Marketing Companies (OMCs) in June 2021, Dr Irungu said implementation of the pivotal projects that will boost revenue earnings and enhance KPC's footprint in the country and region are on course and highly spirited.

Dr Irungu added that KPC is gearing up to put up Liquefied Petroleum Gas (LPG) storage facilities in Mombasa and Nairobi by 2023. He further highlighted the company's Fibre Optic Cable (FOC) "which we are selling to Safaricom PLC, Jamii Telecom and Wananchi Group. The FOC commercialization team is working to onboard more customers to take up more cores from the Fibre Optic Cable plant of 96 cores within the financial year 2021 -



KPC's Board Chairperson, Ms. Rita Okuthe, addressing OMCs and other guests during the CEOs' Breakfast at Movenpick Hotel & Residences, Westlands, on 23rd June, 2021



Managing Director Dr. Macharia Irungu addressing guests during the CEOs' breakfast forum.



Pictorials of the upcoming KOT complementary facility - Mahathi Infra Jetty in Uganda. Tanks, ship, jetty and loading gantry

2022 and it is encouraging all within the company to help boost sales through their own personal networks" said the M.D during the breakfast meeting.

The M.D lauded the OMCs for their support during the outbreak of the COVID-19 pandemic in March 2020 which reinforced the Government's effort to avail alcohol-based hand sanitizers to vulnerable Kenyans across all 47 counties.

In June 2021, Dr Irungu led an executive management team to Mahathi Infra jetty facility in Uganda (a complimentary facility for Kisumu Oil Jetty). The team was assured of its completion in September 2021 by the developers. Mahathi Infra is poised to guarantee security of product supply in Uganda and the region. He encouraged the OMCs to visit the facilities and familiarize themselves with the market possibilities.

On the success of KPC SAP & KRA iCMS integration project, the MD thanked the OMC's for embracing the innovation and reiterated that the project was aimed at improving KPC's services.

"We are committed to serving you better and this we have resolved to do without looking back," he told the oil marketing companies executives.

The OMCs applauded the project as a game changer in the evacuation of products from the depots as well as eliminating several bottlenecks in the loading chain.

The Managing Director said KPC is earmarked to construct a pipeline connecting South Sudan to Lamu through the Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Corridor project. In addition, KPC is planning to capture the large and lucrative Southern Ethiopia market.

KPC Board Chairperson, Rita Okuthe on her part said the Board is working closely with the management to ensure that the company delivers on its mandate.

"We have a profound mandate for which the company is keen to deliver; in quality and impact to our customers and broader stakeholders", she said.

Okuthe added that being a customer-obsessed organization, KPC is committed to listening and remedying customer pain-points efficiently.

"We have a solemn duty to listen to you and act appropriately to your concerns and lessen your burden of doing business" she added.

General Manager, Strategy and Compliance, Zilper Abong'o, gave a presentation on capacity enhancement projects and emerging issues affecting the industry. Among the projects she mentioned was the Kipevu Oil Terminal 2 (KOT2) upgrade which is on course and once successfully completed will greatly improve inlet capacity.

"As the inlet capacity is increased, KPC has ensured that the outlets in terms of the depots' evacuation capacity is increased; for example, the new bottom loading facilities in Kisumu, Eldoret and Nakuru that are designed to reduce the time taken to load a truck from 30 minutes to 15 minutes thus increasing operating efficiency" said the G.M.

Customer feedback forums were also held in Nakuru, Eldoret and Kisumu between 25th to 28th May 2021. The OMCs commended KPC for the improved efficiency evident in all service delivery points.



Outgoing Managing Director of TotalEnergies, Mr Olagoke Aluko introducing the incoming Managing Director Mr. Eric Fanchini to KPC's Managing Director Dr. Macharia Irungu



KPC team led by Dr. Macharia Irungu paying a courtesy call at the high commission in Uganda



Delighted Nakuru customers enjoying a sumptuous dinner.



Meeting with a section of Uganda OMCs with KPC Team during a customer visit to Uganda on the 16th of June, 2021

Factors That Contribute to A Successful Enterprise

Doing business in Kenya can be an exciting and frustrating experience depending on one's level of preparedness. In the recent past, more people have joined the world of business after exiting employment with little to no knowledge of what lays ahead.

Eng. James N. Mwangi, EBS, Chief Executive Officer, Kurrent Technologies is a seasoned entrepreneur, mentoring many in the field of engineering and sits in various boards that include KEPSA (Kenya Private Sector Alliance), and FIDIC (International Federation of Consulting Engineers) advocating for the interest of engineers in various capacities. He is a Registered Consulting Engineer with the Engineers Board of Kenya and a Fellow with the Institute of Engineers of Kenya He spoke to Petroleum Insight on how to run a successful business



Eng. James N. Mwangi, EBS
Chief Executive Officer, Kurrent Technologies

Excerpts



Congratulations on your recent appointment to the board of Kenya Private Sector Alliance. What does this appointment mean to you as a person and as a representative of the engineering and business fraternity?

I have been an active member of KEPSA for close to 10 years through the Association of Consulting Engineers (ACEK) which I joined in 2005 as a committee member, treasurer, secretary, and chairman. Through ACEK I joined KEPSA and went on to the Energy and Extractives Sector board, I was there as a member and later became chair and did three consecutive terms, each of two years. Recently, I was pleasantly surprised to be appointed at the board of KEPSA – the epic voice of the private sector in Kenya. I have also been chair of the regional International Federation of Consulting Engineers (FIDIC Africa) and now sit in the board of International Federation of Consulting Engineers (FIDIC). I am also a Member of the East Africa Branch Council of the International Project Finance Association (IPFA) and is a Member of the Energy Institute [U.K.].

I have always seen a lot of value to be where conversations that affect my profession are taking place and being in these boards has helped me to advocate for my interest as an engineer while understanding the bigger picture.

The conversations within KEPSA are largely to do with policy matters but more importantly it's the public-private dialogue platform. This is where we have dialogue with government at all levels and other important stakeholders be it The National assembly, The Judiciary, The Council of Governors (CoG) and other stakeholders such as development partners. Being in the board means I can participate at an even higher level on matters that affect business, the economy and largely Kenya. It's a great honour.



How has business been for SMEs like Kurrent Technologies since the Covid-19 Pandemic struck?

Business slowed down and we had to adjust. At one time, we had to close our offices to adhere to government health protocols and not expose our employees to undue risk. We gradually came back to the office as people started adjusting to the pandemic and slowly got back to our business. After several months we were back to almost full capacity but of course learning important lessons about health and preparedness for unseen circumstances. Business has come back, and we can see much improvement and most importantly, we have seen more opportunities to adjust how we do business. There has been an increase in inquiries and opportunities in new areas within the Energy sector.



In 2020, the government tried to cushion businesses by reducing VAT and other taxes, did these measures have any impact on SMEs?

Tax incentives were some of the recommendations made to government by KEPSA that really helped SMEs in cushioning their cash flows. The implementation of these recommendations by government shows that it recognizes the importance of private sector in creating wealth, job and growing the economy. They did very good to cushion the business community and ultimately the people of

this country during that tough period. We had hoped that the incentives would be implemented for longer since businesses have not fully recovered but government too needs to run its affairs and can only do so through taxes.



Many people have found themselves out of work in the wake of this pandemic and thought about starting their own businesses. What would be your advice considering those that have never done business before?

Over 80% of those that are employed, they are employed by the micro, small and medium enterprises, and this shows that SMEs are critical in this country. SMEs contribute about 28% of the GDP according to a Kenya Bureau of Statistics' survey done in 2016 and this means that there is still more potential for small businesses. We must change our thinking that the only fulfilling thing is working for a large corporation. We must be ready to start small businesses based on the skills and knowledge that one has. I encourage people not to be scared but they have got to learn certain life skills, key amongst them discipline, perseverance, importance of taking calculated risks, power of networks[e.g. associations, clubs, focus groups, choosing good friends etc.], power of partnerships [bigger jobs, more returns], value of mentors that help you stay on course, power of brand both personal and company, value of having good systems for efficiency and productivity and the importance of having sound financial management.

When getting to any business, one must be prepared mentally and identify an opportunity where you can fill a gap. All companies started small. My greatest lessons when I got into business was the power of instinct – always trust your instincts when making decisions. If something doesn't sit well with you, take your time to do due diligence. Decisions can wait a minute longer. Then there is power in knowledge and advocacy – read widely and always keep yourself informed of the latest developments. There is value in integrity and doing the right thing – people love associating themselves with those that they can trust and have agility.

I often encourage start-ups to use the Jan Canfield model of how to be successful in business. You need take 100% responsibility for your life – don't go blaming other people for your mistakes. Always believe in yourself and it's possible, unleash the power of Goal setting and release the Brakes – see what u want, get what you see. Act – don't wait for others to do it for you, feel the fear and do it away. Be willing to pay the price – it is your company, be willing to defend it at all costs. Ask! Ask! Ask! and use feedback to your advantage. Practice persistence, complete the Past to Embrace the future and change – at times its inevitable. Stay fit and healthy. This is critical.

For your personal development; hire a personal coach, learn more to earn more and practice to just say No when it doesn't work for



Finances have always been a challenge to most start-ups, what is your advice on balancing finances for the business to stay afloat?

For a business to survive, you need to develop a positive Money consciousness – to spend more, first make more. Try and get some basic financial skills to help you understand money. There is not too much or too little money, it is all dependent on how it is managed.

One must be frugal when it comes to finances. Identify a good bank that you can work with and have a sound financial management system that shows how you follow-up your payments, structure your expenses and savings. The key thing is not to get too excited about money no matter how much of it comes in. Understand that your money and company's money don't sleep in the same bed.



Any other comment?

Being your own boss means you are in control of your own life. It is also important to understand that a new business requires your attention hence the need to work more hours – the survival of the business is all dependent on you, but you can choose when to take a break. Remember you are the brand – how do people perceive you, do you have integrity, what are your networks? Running a business in the right way may seem punitive but it's better in the long run.

This country has great potential, and I would like to urge people to take interest in advocacy, get knowledge of what is happening in the business front and understand the prevailing legislation. You need to understand the circumstances and boundaries under which you work. People must take interest in the way this country operates, is governed, and take part in public stakeholder consultation opportunities to shape policy which in turn shape legislation that governs the boundaries under which you work. In other words, ignorance is fatal in business. In closing I encourage fellow Kenyans and professional to join business membership organizations many of whom are members of KEPSA. Be where people discuss relevant things and seek advice from experts or people who know.

People must take interest in the way this country operates, is governed, and take part in public stakeholder consultation opportunities to shape policy which in turn shape legislation that governs the boundaries under which you work. In other words, ignorance is fatal in business.

Fueling Development in East Africa



Daniel Muasya
Strategy and Operations advisor specializing on Energy

The Kenya upstream sector has significantly slowed down due to decrease in global investments in upstream projects orchestrated by decline in global oil prices, change in business strategy as a result of the Covid -19 pandemic that has strained companies' liquidity levels and the continued shift towards green energy that has rendered most of the young fossil fuel projects doubtful as organizations reconsider their energy mix portfolios amidst global pressure to shift to cleaner sources of energy.

It is however worth noting that despite the decline of

activity in Kenya, neighboring countries of Uganda and Tanzania continue to carry out oil and gas activities signaling that all is not lost for the region.

During this quarter, Tanzania, Uganda, and the participating oil companies signed the East Africa Crude Oil Pipeline agreement allowing commencement of the construction of the oil \$3.5 billion pipeline from Hoima to Tanga, on a day when Host Government Agreement, Shareholding agreement and the transportation agreement for the project were also signed by the same parties.

In Tanzania, President Suluhu Hassan also committed to the parliament that negotiations between Tanzania Petroleum Development Corporation and International Oil Companies for the proposed \$30 billion LNG complex in Lindi would restart after stalling for over six years signaling a revival of the once flourishing upstream activities in Tanzania. In addition, Kenya and Tanzania signed a \$1.1 billion gas pipeline agreement that will allow construction of a 600 Kilometers pipeline between Mombasa and Dar es Salaam suggesting that despite the slow oil and gas activities in Kenya, the country can strategically position itself and meaningfully benefit from the activities of its neighboring countries to fuel its development agenda.

Kenya's vision 2030 and President Kenyatta's big four agenda include manufacturing as one of its key pillars and while it is no secret that manufacturing would only thrive on an enabling infrastructure and robust market demand, both locally and externally, this would be one of the key beneficiaries of development in petroleum upstream sector. In addition, trade between Kenya, Uganda, and Tanzania continues to expand driven by growth in population and global shift of international trade from multilateralism to regionalism and bilateralism. As Kenya figures out on how to bring back the Lokichar oil project back on track, a great opportunity exists and can tap on Tanzania and Uganda projects in the following ways.

Infrastructure Growth

In the recent past, Kenya has embarked on massive infrastructure projects targeting improved transport efficiency within its major road and rail networks, and connectivity with its neighboring countries. The construction of the Standard

Gauge Railway line to Naivasha, Construction of the new Lamu port at the coast, the proposed dry port in Naivasha to ease congestion at the port of Mombasa, and the ongoing construction of an expressway in Nairobi to ease traffic in the capital city are some of the projects that will benefit massively from oil and gas activities in Uganda and partly in Tanzania.

As the largest consumer of Kenya's Mombasa port, it is estimated that Uganda's annual usage of the port to be approximately eight million tons (by Kenya Ports Authority), accounting for 85% of its imported cargo. This buttresses the importance of Kenya's efficient port clearance processes and transportation system from the port of Mombasa to Uganda's border. Kenya is therefore riding on projected growth in Uganda to accelerate its infrastructural development consequently powering growth in the local economy while supporting Uganda's oil and gas activities especially construction of the East Africa Oil Pipeline and its supporting economies.

The Lamu Port, South Sudan, Ethiopia Transport corridor (LAPPSET) is a massive infrastructure project that is expected to benefit from the Lokichar oil project in Kenya. Originating from

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Lake Turkana, the expected construction of the Kenya oil pipeline to Lamu, is expected to massively open the traditionally Kenya's northern region through accelerated economic activities along the pipeline and LAPPSET corridor.

Infrastructural investment is an extraordinary tool for macro-economic stabilization tool with its output multiplier is substantially higher than any other fiscal interventions and a key accelerator to growth in productivity and poverty alleviation mechanism. Indeed, the world bank reports that India became the second fastest growing global economy on the backdrop of massive infrastructure investments between 2000 and 2012. This emphasizes the importance of infrastructural growth and the benefits that could accrue to Kenya and its neighboring countries through similar economic enabling investments. Therefore, intentional accelerated investment on transportation

and technology systems is a great opportunity that the Kenya government should not ignore.

Increased Regional Trade

As indicated earlier, many global economies now embrace regionalization, and bilateralism as opposed to multilateralism as economic capitalism and protectionism continues to rise. Whereas this is led by USA and China at global level, smaller economies and third world countries have also adopted similar approaches to protect their economies from exploitation by 'bigger and greedy' neighbors. This presents an opportunity for East African economies to enhance trade between the different economies under the EAC platform. Uganda and Tanzania project a GDP growth of approximately 10% after the completion of the East Africa Oil Pipeline project fueling demand

and consumption across all sectors of the economy. Under the East Africa Common Market protocol, Kenya is expected to experience increased demand on its infrastructure, consumption of its manufactured goods as well as skilled labor from its neighboring countries.

In addition to increased trade, availability of cheaper source of energy within the region will substantially drive down cost of industrial production in the countries denoting rise in consumption levels within the consuming community. In the recent past, several manufacturing organizations have halted production activities due to heavy fuel costs or moved production plants to other countries. It is therefore expected that upon commencement of production of oil in Uganda and Kenya, and gas in Tanzania several of the costs associated with importation of fuel from Middle East to East Africa will be eliminated. Emphasizing for the need for a refinery in

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Uganda, President Museveni clarified that one of his objectives was to support development within the regions covering Western Kenya, Northern Tanzania, Rwanda, Burundi, and Congo suggesting possibility of easy access to cheaper fuel in the region. In addition, the gas pipeline from Dar Es Salaam to Kenya will be a solution to the much-needed gas to power energy solutions both at industrial and transport sectors of the economy.

Further Growth in the Oil and Gas Sector

Uganda estimates that only 20% of its oil resources have been explored while Kenya estimates the same to be at 5%, the key impediment to more exploration activities being unavailability of funds to finance further drilling activities. Among other costs, drilling an onshore well costs \$ 20-40 million while an offshore well costs \$ 40-60 million in the current oil price environment suggesting need for significant cash-flow investments at this phase of oil and gas cycle. To preserve cash and profitability, most oil corporations have significantly reduced investments in energy activities especially in fossil fuel projects, a major shift in global strategy that hints at the need for individual countries to invest in such projects through their National Oil Companies or directly. It is therefore imperative that commercialization of the already discovered resources finances further exploration work in the remaining 80% and 95% resources in Uganda and Kenya, respectively. This will create a cyclic effect stimulating further growth in infrastructure, GDP growth, and improved Balance of Payments through increased regional trade.

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OPEC+ Reach Deal to Increase Oil Production

Opec+ members finally reached a deal that will raise oil production in response to soaring prices. Opec + also set a target of December 2022 for restoring all the output cut during the early days of the pandemic.

An agreement was reached to pump an extra 400,000 barrels a day from August 2021 to December 2022, ramping up output by about 2m b/d in total by the end of the year.

As part of the agreement, members of the Opec+ group, including the United Arab Emirates, Saudi Arabia, Russia, Iraq and Kuwait, will be awarded higher production baselines — the level from which output deals are calculated — in a victory for Abu Dhabi, which had threatened to scupper a deal early this month.

Saudi Arabia's Minister for Energy Prince Abdulaziz bin Salman said he believed the deal demonstrated the group could overcome disagreements and that the oil market would now have greater clarity.

Under the agreement, the UAE's production baseline, which it complained that it failed to reflect its rising production capacity, will go up to 3.5m b/d from about 3.2m b/d at the moment.

Baselines for Saudi Arabia and Russia will both rise to 11.5m b/d (from 11m b/d today) while Iraq and Kuwait had their baselines raised by 150,000 b/d to 4.8m b/d and 3m b/d respectively.

UAE's energy minister Suhail Al Mazrouei said that despite the disagreements this month, the country remained "committed to this group and will always work within this group" when trying to balance the oil market.

The oil producers' group slashed production by almost 10m b/d at the height of the demand-sapping lockdowns and travel bans in April 2020, but has slowly added production back as economies reopen.

About 5.8m b/d of output remains off the market, but that level is expected to be largely returned by the end of 2022.

Brent crude, the international oil benchmark, has soared to a three-year high above \$75 a barrel as demand has recovered, with traders warning that the market is tightening rapidly.

It is uncertain whether the amount of volume restored by Opec+ will be enough to significantly damp prices in the coming months, as demand is expected to keep rising.

The UAE's complaints over baselines had thwarted a deal this month and revealed a faultline between Abu Dhabi and Riyadh, with Saudi Arabia traditionally the most powerful member of the core Opec group.

Talks this week with Saudi Arabia laid the groundwork for the compromise.

The decision to increase other large members' production baselines appears calculated to avoid a split in the wider group, though it is unlikely to lead to higher production until next year, when the original deal expires in April 2022.

The existing baseline will remain in place until that time, Opec+ said, but the monthly 400,000 b/d production increases will continue until the end of 2022.

Prince Abdulaziz indicated that under this plan, Saudi Arabia's own production could rise above 11m b/d in the second half of next year.

"This is a sign that Opec+ is keen to continue managing the market and drawing down inventory. The baseline changes complicate matters a bit but the group is practically guaranteeing 400,000 b/d each month after May 2022, which will keep supplies in check" said Amrita, Sen at Energy Aspects.



JUBA: Ministry of Petroleum Launches First Oil Licensing Round

Political progress and stability sees South Sudan open up energy sector for investment

South Sudan Ministry of Petroleum announced the launch of the country's first Oil Licensing Round. The ministry identified new exploration blocks with potential hydrocarbons and has since compiled crucial data for interested investors, operators and counterparties.

According to the new analysis commissioned by the Ministry, approximately 90% of South Sudan's oil and gas reserves remain unexplored, providing unprecedented opportunities to international investors.

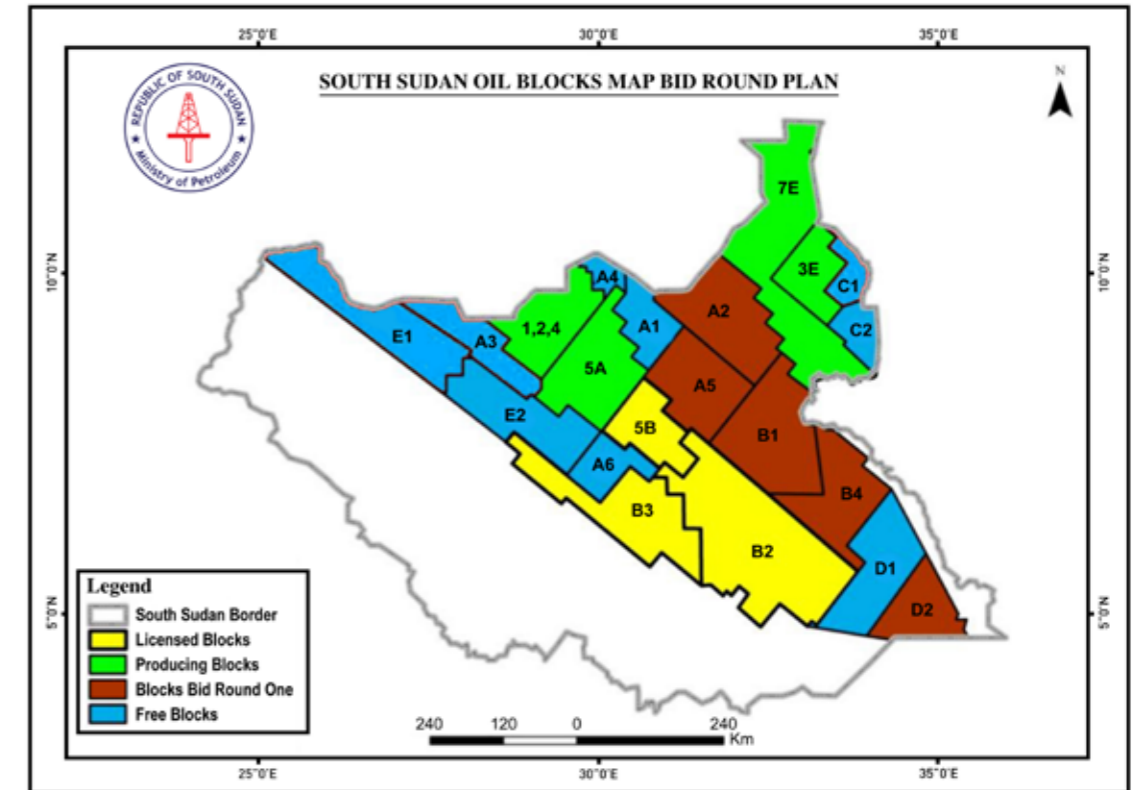
The Oil Licensing Round aims to attract interest from a diverse group of foreign investors to a region that is already home to oil and gas majors from China and Malaysia. The country is hoping to welcome back experienced partners and operators following significant progress in returning to peace and stability. With the new data, analysis, and government mechanisms, the Ministry seeks to attract high-quality investors and partners.

The bidding round will be for a number of selected blocks, which will be facilitated and evaluated based on set criteria by the Ministry of Petroleum.

The available blocks are shown on the map and range between 4,000 and 25,000km², with most comprising between 15,000 and 20,000 km².

Oil & Gas Exploration in South Sudan

Currently there are three consortiums operating producing blocks in South Sudan, with another four oil exploration



companies having acquired production sharing contracts.

1 Producing Blocks:

- Block 3 and 7 - DAR Petroleum Operating Company: China National Petroleum Corporation, Petronas, Nile Petroleum Corporation (8% equity)
- Block 1, 2 & 4 - Greater Pioneer Operating Company: China National Petroleum Corporation, Petronas, Nile Petroleum Corporation (5% equity)
- Block 5A - Sudd Petroleum Operating Company: Petronas, Nile Petroleum Corporation (8% equity)

2 Awarded Exploration Blocks:

- Block B3 - Oranto Petroleum, Nile Petroleum Corporation (10% equity)
- Block 5B - Ascom, Nile Petroleum Corporation (10% equity)
- Block B2- Strategic Fuel Fund, Nile Petroleum Corporation (10% equity)

3 Free Blocks:

- Blocks: A1, A2, A3, A4, A5, A6
- Blocks: B1, B4
- Blocks: C1, C2

- Blocks: D1, D2
- Blocks: E1, E2

4 First Licensing Round:

- Blocks A2, A5, B1, B4, D2
- Potential investors are now able to request all relevant information from the Ministry of Petroleum until August 23rd 2021, by expressing their interest and providing contact details online at www.southsudanlicensinground.com

Once the expression of interest process is concluded by August 2021, the Ministry of Petroleum will host a virtual series of data presentations, followed by an international roadshow.

After years of instability and conflict, lasting peace is finally gaining a foothold in the country following the establishment of the Transitional Government of National Unity (TGNU) in February 2020, and the follow-up agreement over governance of the country's states. South Sudan is now firmly back on a positive developmental path and is expected to continue as one of Africa's fastest-growing countries in the foreseeable future

Uganda to Explore Alternative Route for Its Fuel Imports

Uganda is exploring Tanzania as an alternative route for its fuel imports ways to cut its reliance on Kenya.

The potential move to diversify its imports could jeopardize business for Kenya's Mombasa port, since about three-quarters of the terminal's transit cargo is sent to Uganda. Mombasa has already been fighting to stave off growing competition from the Tanzanian ports of Dar es Salaam and Tanga.

Uganda Railways Corporation began a trial delivery of 500,000 liters of petroleum products across Lake Victoria, resuming shipments after a 16-year hiatus.

The Railway acting Managing Director Stephen Wakasenza confirmed that fuel that initially landed in Dar es Salaam,

transported by train to Mwanza port before being sent onward to Uganda over the giant fresh-water lake.

Mombasa also serves South Sudan, the Democratic Republic of Congo, Rwanda and Tanzania. The region's over-reliance on the Kenyan port came into sharp focus in 2007 when post-election violence that rocked East Africa's biggest economy disrupted supply chains to the landlocked nations.

"We are comfortable with Mombasa, but as a country we need an alternative route for strategic reasons," Wakasenza told journalists.

Plans are underway for Uganda to start its own oil production, but unlikely to happen until 2025. The government intends to build a crude-export pipeline via Tanzania.

Rising Demand

The trial fuel cargo was for Stabex International Ltd., Wakasenza said, suggesting there may be interest in the route from other importers as Uganda's demand for petroleum imports is rising at an annual rate of 7%.

Uganda's fuel consumption is about 185 million liters of fuel products every month and the demand continues to rise at an annual rate of 7% with most of it trucked through Kenya, according to Uganda petroleum statistics. URC aims to use two routes across Lake Victoria from Tanzania's Mwanza port and from Kenya's Kisumu port -- bringing in a total of 10 million to 20 million liters a month. It'll seek to boost capacity to 40 million liters once it imports additional wagons, Wakasenza said.

The state-owned company has a tanker capable of hauling 880 tons and making 10 voyages a month, according to the director, who said it also has a second vessel under repair. In addition, it will rely on a Kenyan-owned boat which already supplies about 4 million to 6 million liters a month from Kisumu, and a Tanzania-registered vessel.

We are comfortable with Mombasa, but as a country we need an alternative route for strategic reasons,



Petroleum Taxes

	Import Duty	Former Rate of Excise Duty Kshs/Litre	Current Rate of Excise Duty Kshs/Litre	VAT	Road Mainten. Levy	Petroleum Devel. Levy Kshs/Litre	Current Rate of Import Decl. Fee	Railway Development Levy	Remission Kshs/Litre	Adulteration Levy Kshs/Litre
Motor Spirit (Gasoline) Regular	-	20.5095	21.5227	8%	18.00	5.40	3.50%	2.00%	0.45	-
Motor Spirit (Gasoline) Premium	-	20.9196	21.9530	8%	18.00	5.40	3.50%	2.00%	0.45	-
Aviation Spirit	-	20.9196	21.9530	8%	-	0.40	3.50%	2.00%	0.45	-
Spirit Type Jet Fuel	-	20.9196	21.9530	8%	-	0.40	3.50%	2.00%	0.45	-
Special Boiling Point & White Spirit	-	8.9378	9.3793	8%	-	-	3.50%	2.00%	0.30	-
Other Light Oils and Preparations	-	8.9378	9.3793	8%	-	-	3.50%	2.00%	0.30	-
Partly refined (including topped crudes)	-	1.5247	1.6000	8%	-	-	3.50%	2.00%	0.30	-
Kerosene type Jet Fuel	-	6.0514	6.3503	8%	-	0.40	3.50%	2.00%	0.45	-
Illuminating Kerosene (IK)	-	10.8357	11.3710	8%	-	0.40	3.50%	2.00%	0.45	18.00
Other Medium oils and preparations	-	5.5730	5.8483	8%	-	0.40	3.50%	2.00%	0.30	-
Gas Oil (automotive, light, amber for high speed engines).	-	10.8357	11.3710	8%	18.00	5.40	3.50%	2.00%	0.30	-
Diesel Oil (ind heavy, black for low speed marine and stationery engines).	-	3.8906	4.0827	8%	-	0.40	3.50%	2.00%	0.30	-
Other Gas Oils	-	6.6245	6.9517	8%	-	0.40	3.50%	2.00%	0.30	-
Liquefied Petroleum Gas (LPG)	-	-	-	16%	-	-	-	-	-	-
Residual Fuel oils 125 cst.	-	0.3155	0.3310	16%	-	0.40	3.50%	2.00%	0.30	-
Residual Fuel oils 180 cst.	-	0.6309	0.6621	16%	-	0.40	3.50%	2.00%	0.30	-
Residual Fuel oils 280 cst.	-	0.6309	0.6621	16%	-	0.40	3.50%	2.00%	0.30	-
Other residual fuels	-	0.6309	0.6621	16%	-	0.40	3.50%	2.00%	0.30	-
Lubricating oils	25%	-	-	16%	-	-	-	-	-	-
Lubricating greases	25%	-	-	16%	-	-	-	-	-	-
Batching oils	25%	-	-	16%	-	-	-	-	-	-
Butanes (Petroleum gases)	-	-	-	-	-	0.40	-	-	-	-
Petroleum Bitumen	10%	-	-	16%	-	0.40	-	-	-	-
Bituminous or oil shale and tar sands	10%	-	-	16%	-	0.40	-	-	-	-
Bituminous mixtures	10%	-	-	16%	-	0.40	-	-	-	-

*The Commissioner General ("CG") of the Kenya Revenue Authority ("KRA") vide Legislative Supplement No. 107 Legal Notice No 194 of 2020 dated 1st October 2020 published new excise duty rates on certain excisable goods with specific rates.

The new rates have been adjusted for the average inflation rate for the 2019/2020 financial year of 4.94% in accordance with Section 10 of the Excise Duty Act effective on 1 October 2020.

SOURCE: KRA

Crude Oil Price Trend

Crude Oil Analysis		
Year 2018 - 2020	Mean Exchange Rates (KES/US\$)	Crude Prices
Jan-19	101.30	60.95
Feb-19	100.17	66.35
Mar-19	100.47	68.60
Apr-19	101.12	73.05
May-19	101.20	72.35
Jun-19	101.89	64.80
Jul-19	103.31	66.15
Aug-19	103.44	62.30
Sep-19	103.79	62.44
Oct-19	103.55	63.6
Nov-19	102.2	66.6
Dec-19	101.32	69.25
Jan-20	100.97	67.8
Feb-20	101.27	56.1
Mar-20	104.05	35.58
Apr-20	106.83	17.64
May-20	106.65	23.52
Jun-20	106.48	36.34
Jul-20	107.46	44.28
Aug-20	107.93	45.74
Sep-20	108.6	42.35
Oct-20	109.14	40.16
Nov-20	110.36	43.04
Dec-20	110.52	49.57
Jan-21	109.89	55.27
Feb-21	109.67	61.61
Mar-21	109.63	65.16
Apr-21	107.84	63.94
May-21	107.61	67.71

Pump Prices

Maximum pump prices (15th July 2021 to 14th August 2021)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	124.72	127.14	126.75	127.67	127.67
Automotive Diesel	105.27	107.66	107.55	108.46	108.46
Kerosene	95.46	97.85	97.76	98.68	98.68

Maximum pump prices (15th June 2021 to 14th July 2021)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	124.72	127.14	126.75	127.67	127.67
Automotive Diesel	105.27	107.66	107.55	108.46	108.46
Kerosene	95.46	97.85	97.76	98.68	98.68

Maximum pump prices (15th May 2021 to 14th June 2021)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	123.95	126.37	125.98	126.90	126.90
Automotive Diesel	105.27	107.66	107.55	108.46	108.46
Kerosene	95.46	97.85	97.76	98.68	98.68

Maximum pump prices (15th April 2021 to 14th May 2021)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	120.41	122.81	122.44	123.36	123.36
Automotive Diesel	105.27	107.66	107.55	108.46	108.46
Kerosene	95.46	97.85	97.76	98.68	98.68

Maximum pump prices (15th March 2021 to 14th April 2021)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	120.41	122.81	122.44	123.36	123.36
Automotive Diesel	105.27	107.66	107.55	108.46	108.46
Kerosene	95.46	97.85	97.76	98.68	98.68

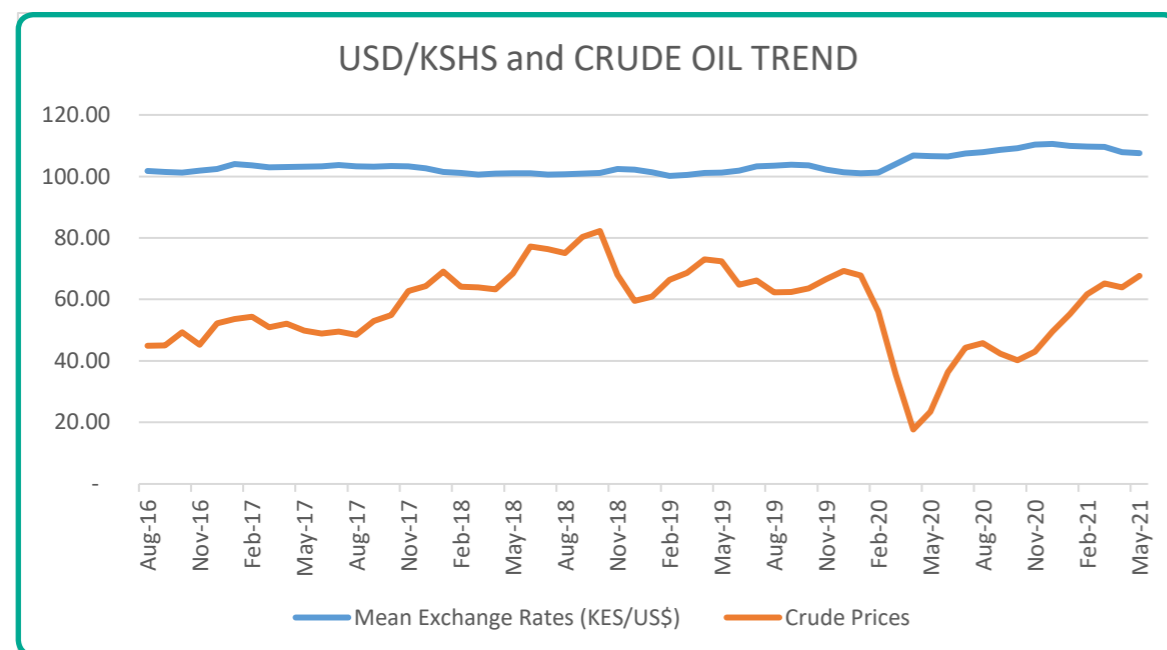
Maximum pump prices (15th February 2021 to 14th March 2021)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	112.78	115.18	114.85	115.77	115.76
Automotive Diesel	99.52	101.91	101.81	102.74	102.73
Kerosene	90.05	92.44	92.36	93.29	93.28

Maximum pump prices (15th January 2021 to 14th February 2021)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	104.60	106.99	106.69	107.62	107.61
Automotive Diesel	94.01	96.40	96.31	97.23	97.23
Kerosene	84.75	87.12	87.08	88.00	87.99

Maximum pump prices (15th December 2020 to 14th January 2021)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	104.43	106.82	106.53	107.45	107.45
Automotive Diesel	89.43	91.82	91.76	92.67	92.66
Kerosene	81.17	83.56	83.52	84.43	84.43

Maximum pump prices (15th November 2020 to 14th December 2020)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	103.45	105.85	105.56	106.48	106.48
Automotive Diesel	88.31	90.70	90.63	91.56	91.55
Kerosene	79.25	81.63	81.59	82.51	82.51

Maximum pump prices (15th October 2020 to 14th November 2020)					
PRODUCT	MOMBASA	NAIROBI	NAKURU	ELDORET	KISUMU
Super Petrol	104.86	107.27	106.96	107.89	107.88
Automotive Diesel	90.53	92.91	92.85	93.77	93.77
Kerosene	81.37	83.73	83.69	84.61	84.60



EPRA Petroleum Prices

Breakdown of the costs of Super Petrol (PMS), Diesel (AGO) and Kerosene (DPK) in Nairobi: 15 th June 2021 to 14 th July 2021				
Cost Item	Cost Description	Super Petrol Kshs/Litre	Diesel Kshs/Litre	Kerosene Kshs/Litre
Landed Cost (a)	Weighted average cost for all imports	53.59	50.64	48.48
Pipeline Transport (Msa - Nrb)	Pipeline (100% PMS, AGO & IK)	2.16	2.16	2.17
Road Transport (Msa-Nrb) - Bridging	Road (0% PMS, AGO & IK)	0.00	0.00	0.00
Pipeline Losses	Pipeline (0.25%)	0.08	0.07	0.06
Depot Losses	0.5% PMS, 0.3% For DPK & AGO)	0.51	0.27	0.24
Delivery within 40kms of Nairobi	Delivery to petrol stations	0.54	0.54	0.54
Storage and distribution (b)		3.29	3.04	3.01
Importers Margin	Wholesale			
Dealers Margin	Retail Investment Margin			
	Retail Operating Margin			
Oil Marketing Companies Margins (C)		12.39	8.00	6.04
Excise Duty	Tax	21.95	11.37	11.37
Road Maintenance Levy	Levy	18.00	18.00	0.00
Petroleum Development Levy	Levy	5.40	5.40	0.40
Petroleum Regulatory Levy	Levy	0.25	0.25	0.25
Railway Regulatory Levy	Levy	1.03	0.96	0.93
Anti-adulteration Levy	Levy	0.00	0.00	18.00
Merchant Shipping Levy	Levy	0.03	0.03	0.03
Import Declaration Fee	Levy	1.79	1.67	1.62
Value Added Tax (VAT)	Tax	9.42	8.30	7.72
Taxes and Levies (d)		57.87	45.98	40.32
Retail Prices in Nairobi (a) + (b) + (c) + (d)		127.14	107.66	97.85
Summary		Super Petrol	Diesel	Kerosene
		KShs/Litre	KShs/Litre	KShs/Litre
Products Costs (a)		53.59	50.64	48.48
Distribution and Storage Costs (b)		3.29	3.04	3.01
OMC Margins (c)		12.39	8.00	6.04
Taxes and Levies (d)		57.87	45.98	40.32
Retail Prices in Nairobi		127.14	107.66	97.85

NOTE: The computation of pump prices has taken into account the changes effected by the Tax Laws (Amendment) Act, 2020 which was assented to on 25th April 2020. All the changes in the Act became effective on that date, except the change in the basis of calculating VAT on petroleum products, which became effective on 15th May 2020. While the VAT was retained at 8%, the calculation of VAT now includes excise duty, fees and other charges in line with the East African Community Customs Management Act (EACCMA). Therefore, the basis of charging VAT at the point of entry includes the CIF value, the applicable customs duty and excise tax but excluding IDF fees and Railway Development Levy.

Petrol, diesel and kerosene prices in the 15th July to August 14th 2021 period remained unchanged from the previous month's (15th June 2021 to 14th July 2021) pricing despite a rise in crude oil costs.

SOURCE: EPRA



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